

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



STATE CONTRACTORS' BOARD

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MINUTES OF THE MEETING
MAY 25, 1999

The meeting of the State Contractors' Board was called to order by Chairman Kim Gregory at 8:40 a.m., Tuesday, May 25, 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. Dennis Johnson
Mr. Doug Carson
Mr. John Lindell
Ms. Deborah Sheltra
Mr. Michael Zech

BOARD MEMBERS ABSENT:

Mr. Dennis Nelson

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer (Via telephone conference for the Legislative Discussion)
Mr. Robert Griffy, Legal Counsel (Haney, Woloson & Mullins)
Mr. Dennis Haney, Legal Counsel (Haney, Woloson & Mullins)
Ms. Nancy Mathias, Licensing Administrator
Ms. Pat Potter, Licensing Supervisor
Mr. Rick Bertuzzi, Director of Investigations
Mr. George Lyford, Director of SIU
Mr. Linc Dante, Investigator
Mr. Bob Macke, Senior Investigator
Mr. Greg Mincheff, Investigator
Mr. Ron Ramsey, Investigator
Mr. Clark Thomas, Investigator
Ms. Betty Willis, Recording Secretary

OTHERS PRESENT:

Cari Inkenbrandt, Court Reporter, CSR Associates of Nevada; Lois Sellers, Owner, and Stephen Royster, QE; Gregory Godon, President, Godon Development Inc.; David Collier, President, Land Developing & Housing Inc.; Harold Lounsbury, OO, Land Developing & Housing Inc.; Michael McDonald, Owner, M L M Construction; Curtis Hyde, President, N – Grav – It Designs Inc.; Randel Richards, President, Systems Electric; Jerome Woolrich, Owner, Drywall Company (The); Michael Ward, D. N. Anderson Inc.; Keith Gregory, Attorney representing Direct Broadcast LTD; Glenn Ellsworth, President, Direct Broadcast LTD; Raja Gangadharan, Owner, L. RAJA GANGADHARAN; Luis Gandulla, Owner, Las Vegas Synthetic Stucco; Will Stoddard, Legal Counsel, D. N. Anderson Inc.; Jeff Tolton, D. N. Anderson Inc.; Kathleen Camp, Project Coordinator, Clark County, Department of Aviation; Denise Colwell, Project Coordinator, Clark County, Department of Aviation; Les Henley, Department of Public Works; Mark Ryzdyski, Administrator, Clark County Heritage Museum, Henderson; Tom Lee, Dependable Construction; Ed Nigro, Owner, Nigro & Associates; Mike Nigro, Nigro & Associates; Dennis Linder, Complainant; Michael Mushkin, Legal Counsel for Mr. Linder; Jeff Silver and Joseph S. Kistler, Legal Counsel for Nigro & Associates; Mark Thomas, President, Thomas Plumbing; Janice Nobliski, Complainant; Paul Krowicki, Owner, Dream Pools; Debra Giordani, Complainant; James Asby, Salesman, Dream Pools; Louis Carnesale, Nevada Underground; Michael Wixom, Legal Counsel representing Dream Pools; Carla Massone, Nevada Underground; Tony Tragale, Complainant; John McDowell, Owner, McDowell Construction; Matt Pierce, Legal Counsel for McDowell Construction; Robert Dodds, Complainant; 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; and Julie Duesterbeck, Complainant.

Ms. Mathias stated the agenda had been posted in compliance with the open meeting law on May 19, 1999, at the Sawyer State Building, Clark County Library, and Las Vegas City Hall. Additionally, it had been posted in each office of the Board in Las Vegas and in Reno.

The amended agenda consisted of 19 items, each of an emergency nature. Additionally, Ace Signs Inc. had been removed from the regular agenda, the Executive Officer's Quarterly Report was postponed until the June 8th board meeting, and legislative matters were postponed until later in the day.

MR. CARSON MOVED TO HEAR THE AMENDED AGENDA.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Gregory called for a motion to approve the minutes of May 11, 1999.

MR. JOHNSON MOVED TO APPROVE THE MINUTES OF MAY 11, 1999.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

EXECUTIVE SESSION

ENFORCEMENT ADVISORY COMMITTEE

Mr. Lyford presented a proposed settlement agreement regarding George Willis Wade, dba A Selective Service Co. The alleged violation was NRS 624.230. The Board accepted the agreement as written.

The Executive Session was continued until later in the day and the following motion closed the meeting to the public.

MR. CARSON 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

DISCOUNT CARPET CENTER (C16A,C,D - Covering Floors; Plastic Tile & Wallboard; carpet Laying) NEW APPLICATION, NAME SIMILARITY, RECONSIDERATION, BOARD DECISION

The application had been approved on April 13, 1999, for a \$25,000 limit and a \$5,000 bond. It had been contingent upon changing the name. Mrs. Sellers' husband had originally held the license but he had died. Her stepson, in the mean time, had opened Discount Carpet Emporium. Mrs. Sellers desired to keep the name Discount Carpet Center.

Lois Sellers, Owner, and Stephen Royster, OE and nephew, were introduced to the Board. When asked if there were hard feelings between the two parties, Mr. Royster answered yes. Carpet Emporium had received its license in 1998, but Mr. Royster said it had since closed down. He did not know if it was permanently or temporarily closed. Some of the debtors had contacted Discount Carpet Center to find out where the principal of Discount Carpet Emporium was, as he had evidently changed his phone numbers.

MS. SHELTRA MOVED TO ALLOW THE APPLICANT TO USE THE NAME DISCOUNT CARPET CENTER.

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED.

GODON DEVELOPMENT INC. (B2 – Residential & Small Commercial) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

The application had been denied on May 11, 1999 for financial responsibility. Gregory Godon, President, was present. Mr. Godon was informed why the license application had been denied. Mr. Godon explained what he intended to do once he was licensed.

MR. JOHNSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A \$50,000 LIMIT, A \$5,000 BOND, A BID LETTER, AND AN FS UPON RENEWAL.

MR. ZECH SECONDED THE MOTION.

In further discussion, Mr. Godon admitted he owed the IRS \$10,000, adding he had made a one time settlement offer to them. The settlement offer had been acknowledged but Mr. Godon had not yet heard from them as to whether they would accept it or not.

THE MOTION CARRIED. (MR. CARSON AND MS. SHELTRA WERE OPPOSED)

LAND DEVELOPING & HOUSING INC. #46408 (B – General Building) FS ON RENEWAL, BOARD DECISION

The renewal application had been tabled on April 13, 1999 pending receipt of the indemnitor's financial statement and the bankruptcy documents. Ms. Potter provided the Board with an attachment regarding Harold Lounsbury's Chapter 13 bankruptcy.

David Collier, President, and Harold Lounsbury, OO, were present. Mr. Collier stated he had a good business with very good clients and good cash flow, primarily in the tenant improvements business. His clients were local property owners and property management companies.

He then detailed his Chapter 13 bankruptcy and an IRS tax lien. He had been advised by his attorney not to pay anything other than what the courts had ordered him to pay, and that was what he had been doing. He said he had no complaints from anyone and he had 24 vendors in town with open accounts for him. All had been paid. He said the reason he had not indemnified the business was because of his Chapter 13 bankruptcy, which was still open. He was going to have a hard time getting a bond.

MR. ZECH MOVED TO APPROVE THE LICENSE RENEWAL APPLICATION WITH AN FS UPON RENEWAL NEXT YEAR.

MR. JOHNSON SECONDED THE MOTION.

In further discussion, Mr. Collier stated there had been one money owing complaint filed against him by a subcontractor. That contract had been paid in full. Mr. Johnson stated the complaint had been closed. Ms. Mathias confirmed Mr. Johnson's statement.

THE MOTION CARRIED. (MR. LINDELL AND MS. SHELTRA WERE OPPOSED)

M L M CONSTRUCTION (B2 – Residential and Small Commercial) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Michael McDonald, Owner, was present and requesting a \$150,000 limit. The application had been denied May 11, 1999 for financial responsibility. The reason for denial was explained to Mr. McDonald. When asked what type of work he was planning

to perform, Mr. McDonald stated he only wanted the license for personal reasons. He was not planning to do any immediate work. Personal indemnification was then explained to Mr. McDonald.

MR. LINDELL MOVED TO TABLE THE LICENSE APPLICATION FOR 60 DAYS FOR NEW FINANCIAL INFORMATION OR FOR THE POSSIBILITY OF INDEMNIFICATION BY ANOTHER PARTY.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

N – GRAV – IT DESIGNS INC. (C40 – Concrete Decorative Coatings) NEW APPLICATION, BOARD DECISION

Curtis Hyde, President, was present with his wife, Leah Hyde, Secretary/Treasurer. Mr. Lindell asked Mr. Hyde why he did not apply for a C4 license in Nevada as he held a C33 license in California. Mr. Hyde stated there was a licensee who had purchased the same machine from the inventor and he held a C40 license. He said he did not want to be known as a painter, he wanted to be known as decorator. He was told he could run his business anyway he wanted to, but the C4 license would allow him to do the decorative work on concrete, and the two licenses, the C4 and the C33, were reciprocal with California. A C4 license could be issued and he could go into business. Mr. Hyde next agreed to amend his application.

MR. LINDELL MOVED TO APPROVE A C4 LICENSE, CONTINGENT UPON MR. HYDE AMENDING HIS LICENSE APPLICATION, WITH A LICENSE LIMIT OF \$250,000 AND A \$10,000 BOND.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

RICHARD J. SCHRUM (C3A – Carpentry, Remodeling, Repairs) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Richard Schrum, Owner, and wife Cheryl, were present. The license application had been denied for financial responsibility. Ms. Potter pointed out that the applicant had since paid off his federal tax lien and had submitted a new financial statement. When asked what type of work he was going to be performing, Mr. Schrum replied he performed finish work, trim, interior, doors, casing, base, hardware, etc. He worked for general contractors. He did high end custom homes. He did not buy material, he used whatever the general furnished. The biggest, single job he did ranged between \$20,000 to \$30,000. He did not have any employees.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$40,000 AND A \$5,000 BOND.

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED.

SYSTEMS ELECTRIC (C2 – Electrical Contracting) NEW APPLICATION, BOARD DECISION, RECONSIDERATION

Randel Richards, President, was present. The license application had been tabled on July 22, 1998 pending resolution of a tax lien. On April 23, 1999 the release of the tax lien had been received, stamped by the California State Board. Mr. Richards was currently working for Sprint.

MR. JOHNSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A \$50,000 LIMIT, A \$5,000 BOND, A BID LETTER, AND AN FS UPON RENEWAL.

MR. ZECH SECONDED THE MOTION.

In further discussion, Mr. Richards said he did mostly small service electrical work.

THE MOTION CARRIED. (MR. LINDELL AND MS. SHELTRA WERE OPPOSED)

DRYWALL COMPANY (THE) #37444 (C4 - Painting & Decorating) RAISE IN LIMIT, RECONSIDERATION, BOARD DECISION

Jerome Woolrich, Owner, was present and requesting a reconsideration of the limit. The raise in limit had been approved on April 13, 1999 from \$225,000 to \$500,000, the bond to remain at \$15,000. Mr. Woolrich was requesting an increase to \$750,000.

Mr. Woolrich said all of the projects he was currently bidding were in the range of \$700,000. He had the background and the experience and the financial capability. A financial discussion then ensued.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$750,000, BOND TO REMAIN AT \$15,000.

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED.

D N ANDERSON INC #27699 (C2 - Electrical Contracting) RAISE IN LIMIT

D N ANDERSON INC #27758 (C21 - Refrigeration & Air) RAISE IN LIMIT

D N ANDERSON INC #27759 (B2 - Residential & Small Commercial) RAISE IN LIMIT

Michael Ward was present and notified that the three raise in limit requests had been approved with an unlimited limit, all bonds to remain at \$20,000.

DIRECT BROADCAST LTD (C2E - Signal Systems) NEW APPLICATION

Keith Gregory, Attorney, and Glenn Ellsworth, President, were present. Attorney Gregory pointed out that there was confusion as to which license classification was needed, a C42 or a C2E. Both trade exams contained information that was not applicable to what Mr. Ellsworth did, which was install cable, run it down the wall, and plug it into the TV. Attorney Gregory stated he believed Mr. Ellsworth had enough experience for what he did to waive the trade. If Mr. Ellsworth was going to take the trade exam, which one would he be required to take and how inclusive would it be?

Chairman Gregory noted it was the building department who made the final decision as to which license was needed. The C2E was a broader license and gave the building department more specificity. Attorney Gregory said the problem was passing the test because it contained alarm systems, electrical components, etc. He believed a C42 was better for his client because of the work Mr. Ellsworth performed. Even with a C42 license, he said there were components of the trade that Mr. Ellsworth would never perform because he did not have the knowledge. He would only be running coaxial cable as it pertained to 18" satellite dishes on the outside of homes.

After more dialogue, Attorney Gregory asked if it was possible to waive the C42 trade exam based on Mr. Ellsworth's experience. It was decided Mr. Ellsworth should take both the C42 trade exam and the CMS. The license application was then approved as a C42 license with a limit of \$5,000 and a \$1,000 bond, contingent upon passing required exams.

The following applications were reviewed and discussion occurred on the following: Nos. 1-2, 5-6, 10, 13-14, 17-18, 20-23, 25-28, 31, 39, 41, 46, 54, 59, 70, 74,

76-83, 86, 90-91, 107-109, 115-117, and 120-126. The Amended Agenda: Nos. # 2, 4-6, 8-10, 12-15, and 18.

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

MR. JOHNSON 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.

APPLICATION HEARINGS

L. RAJA GANGADHARAN (B2 – Residential & Small Commercial) APPLICATION HEARING

Raja Gangadharan, Owner, was sworn in and the stipulation was signed.

The hearing was for possible violation of NRS 624.263, failure to establish financial responsibility by an applicant. The license application had been presented to the board on January 19, 1999. It had been denied for financial responsibility based on the financial statement dated February 28, 1998 and the licensee's credit history. The applicant had then been directed to provide a new financial statement and bank confirmation form. Those items were now before the Board for review.

Under questioning by the Board, Mr. Gangadharan said he planned to perform single family housing and small commercial. Mr. Gangadharan explained his Ultra Span truss and wall manufacturing business. It was new technology and most did not know how to install the product. He could manufacture the product, engineer it, but not install it without a license. Dialogue was then entered into regarding financial information and the type of work Mr. Gangadharan wanted to perform.

MR. JOHNSON MOVED TO APPROVE A B2 LICENSE WITH A \$250,000 LIMIT, A \$10,000 BOND, AND AN FS UPON RENEWAL.

MR. LINDELL SECONDED THE MOTION.

Mr. Johnson was asked to consider raising the bond to \$20,000. Mr. Johnson declined.

THE MOTION CARRIED. (MR. CARSON AND MS. SHELTRA WERE OPPOSED)

GREENWEST INC. #45520 – APPLICATION FOR LICENSE RENEWAL

The meeting was called to order at 11:05 a.m. The hearing had been scheduled for 11:00 a.m. Shirl Jean McMayon, President, was not present and no one was present to represent the licensee. The hearing notice was entered into the record as EXHIBIT 1.

Mr. Gregory stated the application for license renewal had been denied in the board meeting of December 18, 1998 for financial responsibility. It had been set for a hearing to see if there was new financial information. To date, none had been received. The current status of the license was inactive, not renewed, because the renewal fee had been returned for non-sufficient funds.

MR. JOHNSON MOVED TO REFER THE MATTER TO FINDINGS OF FACT, CONCLUSIONS OF LAW.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISIONS

PALACIOS CONCRETE CONSTRUCTION #40837A – FINDINGS OF FACT, CONCLUSIONS OF LAW

Mr. Zech abstained.

MS. SHELTRA MOVED TO ACCEPT THE FINDINGS OF FACT, CONCLUSIONS OF LAW.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty Phase

MR. LINDELL MOVED TO REVOKE LICENSE #40837A, PALACIOS CONCRETE CONSTRUCTION, AND TO RECOVER THE COST OF THE INVESTIGATION SHOULD THE LICENSEE ATTEMPT TO REAPPLY FOR A LICENSE.

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED.

PATIOS II #35548 – FINDINGS OF FACT, CONCLUSIONS OF LAW

MS. SHELTRA MOVED TO ACCEPT THE FINDINGS OF FACT, CONCLUSIONS OF LAW

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty Phase

MR. LINDELL MOVED TO REVOKE LICENSE #35548, PATIOS II, AND TO RECOVER THE COST OF THE INVESTIGATION SHOULD THE LICENSEE ATTEMPT TO REAPPLY FOR A LICENSE.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

RECONSIDERATION OF BOARD ACTION

LAS VEGAS SYNTHETIC STUCCO #42719 – RECONSIDERATION OF BOARD ACTION

Luis Gandulla, Owner, was present. Ms. Mathias told the Board that on October 8, 1998 it had fined the license and had indicated that if the fine was not paid within 60 days, the license was to be suspended. The license was currently suspended and the fine remained unpaid. Mr. Gandulla was requesting that the Board allow the fine of \$3,500 plus \$1,800 in investigative costs to be paid in monthly increments instead of payment in full.

Mr. Gandulla stated he was willing to pay the board \$1,000 up front and \$250 per month until paid, interest to be applied at the discretion of the board. He then explained why he had not made any payments on the outstanding amount.

MR. ZECH MOVED TO DENY THE REQUEST FOR RECONSIDERATION OF BOARD ACTION.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

ADVISORY OPINIONS

1. MCCARRAN INTERNATIONAL AIRPORT, Scope of Work for D. N. Anderson, Project 2094

Will Stoddard, Legal Counsel, and Jeff Tolton were present to represent D. N. Anderson Inc. Kathleen Camp, Project Coordinator, Clark County, Department of Aviation, was also present.

The work entailed the reconstruction of an existing taxi staging area and included paving, curb and gutter installation, sign installation, irrigation and landscape modifications, construction of a retaining wall, and clearing and grubbing. Ms. Camp verified there was no actual structure involved, indicating that most of the work was civil work. She then asked if D. N. Anderson could perform the work with a B2 license.

The board opined that since there was no structure involved, the license classification needed to perform the work as described was a full A, AB, A1 or an A16. Mr. Gregory then noted that the statute had been clarified to read that if there was no structure involved then a B or B2 contractor was out of scope if supervising a project when no structure was involved. He pointed out that in the state of Nevada, if a licensee was found to be out of scope, that licensee was deemed to be unlicensed in the portion of work found to be out of scope, and in a court of law, the judge would determine the terms and conditions unenforceable and the contract considered void.

2. MCCARRAN INTERNATIONAL AIRPORT, License Classification for Project 2097

Denise Colwell, Project Coordinator, Clark County, Department of Aviation, was present for the advisory opinion wherein it was learned the project had already been awarded and construction started. She was informed it was too late to bring the item to the Board for an advisory opinion.

Investigative staff was directed to investigate the matter and bring it before the board.

Attorney Stoddard stated that his concern was work had started on the project, had stopped, and now there was going to be a delay of another month or more. Mr. Gregory explained why it was necessary to perform a full investigation, stating the purpose was twofold: one, was for the protection of the board by not holding an informal hearing based on hearsay; and two, to protect both parties named in the contract. Mr. Stoddard then stated his client would be happy to waive the 30-day notice if it would be possible to hear the matter in Reno on June 8, 1999.

More discussion focused on a B license application that had been submitted by D. N. Anderson and was currently being processed by the board. Mr. Stoddard asked if that application could be considered at the same time and possibly used in place of the current license to perform this project. Mr. Gregory explained it was necessary to hold the proper license before bidding a project.

3. DEPARTMENT OF PUBLIC WORKS, On Site Lubrication Services, License Classification

Les Henley was present and explained it was his understanding On Site Lubrication performed lubrication service by coming on site and lubing vehicles and heavy equipment. On behalf of Southern Nevada Operating Engineers Contract Compliance Trust, the question he was asking was did that type of service require licensing and was the company considered a subcontractor to the prime? It was

pointed out to Mr. Henley nothing was being built, therefore, no license was required. Only maintenance was being performed.

4. TOWN OF FERNLEY, Bid No. 01-0499, License Classification

No one was present to represent the town of Fernley. The question was did the contractor require a C24 license for the erection of bleachers? The Board opined the work required a C24 license. To the question, if the installation of bleachers involved two or more trades did the Contractors Board allow a classification B license holder to perform the work without a C24 license. The Board opined the answer was no if a building was not involved. To the third and last question and in reference to the second question, can a contractor without a C24 license submit a bid for a bleacher project and have the manufacturer of the bleachers without a C24 license manufacture and install the bleachers? The opinion provided was no.

5. CLARK COUNTY, Dept. of General Services, Bid No. 4442-99, Boulder Train Depot

Mark Ryzdyski, Administrator, Clark County Heritage Museum, Henderson, was present along with Miki Worth of Eddie Construction and Richard Newman and Bob McDonald of Foxy Fine Finishes. Mr. Ryzdyski informed the Board he had a grant from the state's Cultural Affairs Commission to restore the depot. What needed to be done were carpentry, interior painting, and repairing loose shingles on the roof. He said his directive and agreement with the state was that not one thing was to be taken off the building. His mission was to restore the building to the way it was in the 1930's. He did not want the roof replaced, he only wanted a few shingles replaced. Foxy Fine Finishes, Inc. held both a C3 and a C4 license. The Board opined that they had the proper licenses to perform the work. When it was pointed out that the overhead propane heater needed to be removed by a licensed plumber, the Board was informed it had been disconnected and out of service for 10 years. They were only taking it down.

EXECUTIVE SESSION (Continued)

Via a telephone conference call, Ms. Grein provided the Board with a legislative update:

- SB128 Had gone back to the Senate for concurrence or non-concurrence with the Assembly amendment.
- AB636 Recovery Fund. Currently at the Governor's office.
- SB423 Anything duplicated in AB633 or AB634 had been deleted out per board amendment. In its current form, the Senate had not concurred with the attached amendment submitted by John Lee and it was going back to the Assembly to be either received or not received. If the bill was received without the amendment, the bill would be passed and proceed to the Governor. If the bill was not received without the amendment, it could be indefinitely postponed or it could be sent to a conference committee.
- SB32 Construction Defects. Had gone back to the Senate to either concur or not concur with the amendment.
- SB437 Design Build, Bidders Preference. Had been enrolled and had gone to the Governor.

Ms. Grein then detailed the history of the board bills beginning with the submission of the initial five bill draft requests (BDR). The BDR's pertaining to the recovery fund and the mandatory payment to recover the bond on pool contracts had been withdrawn. The three remaining BDR's had been combined into two bills, which were now examined section by section, AB633, which pertained mostly to licensing and AB634, which pertained to

Enforcement.

Mr. Gregory asked the Board if they had any comments or questions regarding the report or actions to date. Mr. Zech asked for feedback on SB423. Ms. Grein stated the Senate had decided not to concur and she would keep the Board posted on further developments. Ms. Sheltra questioned financial requirements in AB634. Ms. Grein stated the language had not been part of the Board's original request. The amendment resulted from testimony presented at the hearing. Ms. Grein was then asked to provide the board with a status report by the end of the day regarding the two bills just discussed. The Executive Session was then continued until later in the day.

HEARINGS

NIGRO & ASSOCIATES #23302 - DISCIPLINARY HEARING

Carmen Caruso, Investigator; Bob Macke, Investigator; Tom Lee, Dependable Construction; Ed Nigro, Owner, Nigro & Associates; Mike Nigro, Nigro & Associates; Dennis Linder, Complainant, were sworn in.

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; and NRS 624.3013 (5), as set forth in NAC 624.700 (3) (a), failure in any material respect to comply with the provisions of this chapter by failing to comply with an order of correction issued in accordance with that regulation.

The hearing notice was entered into the record as EXHIBIT 1; Michael Mushkin, Legal Counsel for Mr. Linder, and Jeff Silver and Joseph S. Kistler, Legal Counsel for Nigro & Associates, were identified. Mr. Silver opted to not sign the stipulation, preferring a transcript.

Mr. Macke stated he had been to the Linder home on or about May 21, 1999 and had taken photographs of the items listed in Mr. Linder's complaint. Mr. Macke verified that the photographs were a true and accurate representation of what he had seen on that day. The photographs were then entered into the record as EXHIBIT 2. Mr. Macke established the complaint did not involve life safety issues, only the appearance of the house with respect to paint and similar items. 36 items had originally been validated but, from the time the last notice to correct had been issued on October 27, 1998, 3 items had changed. The homeowner had corrected those 3 items. Additionally, because the sprinkler system on the left side of the driveway did not function properly resulting in dead grass, the homeowner was now hand watering that area and the appearance of the grass was good, although the working of the sprinkler system was suspect. The remaining items listed on the order to correct were below the standards of the industry.

Mr. Kistler stated he had been present when Mr. Macke had taken the photographs entered into the record as EXHIBIT 2. Under questioning by Mr. Kistler, it was established the house had closed in July, 1996 and the last correction order was dated October 27, 1998; Mr. Caruso and Mr. Macke had validated the workmanship items on three separate occasions; an administrative meeting had taken place wherein Nigro & Associates had agreed to perform all of the work contained on a May 28, 1998 order to correct and had done so in August, 1998 but, according to Mr. Macke, not to the standards of the industry; and Mr. Macke was aware that Nigro & Associates had attempted to inspect the items validated on the September 21, 1998 list but the homeowner had not permitted the inspection. Hereafter, Mr. Kistler presented a notebook containing documents, which was admitted into the record as EXHIBIT 3.

It was next determined the two parties were not yet in litigation, but Mr. Mushkin had provided a letter indicating that they intended to pursue it.

Much discussion then followed wherein it was pointed out the licensee, through his counsel, had offered to employ an unrelated contractor to have the work performed

to the satisfaction of a board investigator; the two parties had not been able to agree upon a contractor; and the homeowner would not consent a fourth time to allow Nigro & Associates to perform the repairs, which amounted to approximately \$27,000.

Mr. Kistler resumed his questioning of Mr. Macke. When it appeared the hearing was going to take longer than the time allotted, it was suggested the hearing be continued to a future date. Mr. Carson suggested that both counsels get together and attempt to choose a contractor that was agreeable to both parties and get the work corrected.

For the record, Mr. Mushkin said: "The questioning you have heard is all about a period of time after October of 1998. It's interesting to note that the house closed in '96 and the process was gone through after the Contractors' Board had inspected, after the initial list was determined, and then my clients allotted for a five-day period of time. Nigro & Associates, because they wanted to do extensive work with paint, carpet and glues, and because my client was pregnant at the time, housed my client outside the house. That period of time was allotted and then more time after that was still allotted." He stated the reason he made his statement for the record was because he didn't want the record colored by the allegations that his client would not allow access.

Ms. Sheltra referenced a letter from Nigro & Associates to the Linders, signed by Martina Tatarek, and dated June 23, 1997. For the record Ms. Sheltra said: "As of now, please refer any of your customer service complaints to the State Contractor's Board." Ms. Sheltra said she wanted that item in the transcript. She continued: "This letter is two years old and they turned it over to us." Additionally, for the record, she said "Several of the things that are said in the letters from Nigro & Associates, ... alleging to the homeowners that things were not mentioned in their first walk-through, you better look at the list, they are mentioned."

The hearing was continued for 30 days to the next hearing in Las Vegas. The next Las Vegas hearing was to be scheduled for two days, if necessary. Mr. Gregory suggested the hearing be scheduled at the start of the second day without any other hearings on the agenda. Mr. Haney suggested allowing 2 to 3 hours on June 23rd, at 9 a.m.

THOMAS PLUMBING, SEWER & DRAIN #37901 – DISCIPLINARY HEARING (Continued from April 27, 1999)

RE: JANICE NOBLISKI

Mark Thomas, President, Janice Nobliski, Complainant, and Clark Thomas, Investigator, were present.

Mr. Bertuzzi recapped what had occurred in the last hearing. Ms. Nobliski had been instructed by the Board to pay the sewer fees to allow Mr. Thomas to correct the work to code.

Clark Thomas said the sewer fees had been paid and the permits pulled. The work involved three buildings. Two buildings had been completely finished. The third was scheduled to be performed within the next ten days or shortly thereafter. It was going to be more difficult because it involved a lot of concrete cutting.

MR. CARSON MOVED TO CONTINUE THE HEARING FOR A REPORT AT THE NEXT LAS VEGAS HEARING.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

Investigator Thomas was asked to remove the item from the agenda if the work was completed and inspected to his satisfaction.

DREAM POOLS #42278 – DISCIPLINARY HEARINGPAUL CONSTRUCTION #41520 – DISCIPLINARY HEARING

Linc Dante, Investigator; Rick Bertuzzi, Director of Investigations; Paul Krowicki, Owner, Debra Giordani, Complainant; James Asby, Salesman, Dream Pools; Greg Mincheff, Investigator; Jeff Pace; Louis Carnesale, Nevada Underground; Michael Novick; Danforth Davis, Grisham Consulting Services; Lawrence Waszenski; Jose Martinez; Irma Martinez; and Dennis Lawrence, were sworn in.

The hearing was for possible violation of NRS 624.3015 (3), contract with an unlicensed contractor; NRS 624.301 (1) (4), abandonment without legal excuse and willful failure to comply with the terms of a construction contract causing material injury to another; NRS 624.3013 (5), as set forth in NAC 624.6964, requirements for schedule of payments; NRS 624.3013 (5), as set forth in NAC 624.6958, requirements for contracts; NRS 624.3016 (5), as set forth in NRS 597, failure to comply with NRS 597.713, .716, or 719; and NRS 624.321 (1), require disclosures by general building contractor. The hearing notice was entered into the record as EXHIBIT 1.

The stipulation was signed and Michael Wixom, Legal Counsel representing Dream Pools, was identified.

Mr. Griffy questioned Mr. Bertuzzi, who told the Board he had investigated Agape Waterfalls in connection with the Giordani pool project. Through a subpoena given to Mr. Krowicki requesting financial records, Mr. Bertuzzi had learned that the work Agape Waterfalls was doing possibly required an A22 license. When the owner, Tony Clark had been contacted, he came into the board office and met with Mr. Bertuzzi. Mr. Clark had produced records relating to the Giordani pool project, which indicated plastering and construction of a waterfall, had been performed. He informed Mr. Bertuzzi Dream Pools had paid him approximately \$37,000, via a 1099. At that time Mr. Clark was issued a citation for violating NRS 624.230, contracting without a license. Mr. Bertuzzi had in his possession the Certificate of the Custodian of Records, Nevada State Contractors' Board, noting that neither Tony Clark or Agape Waterfalls was licensed. He said either Jeff or Connie Salama had contacted Mr. Clark. Mr. Bertuzzi did not recall the first name Mr. Clark had given him, adding that all of Mr. Clark's contracts had been verbal.

DEBRA GIORDANI

Ms. Giordani testified she had entered into a contract with Dream Pools to build a pool at the Giordani residence on or about April 10, 1998. To date, the Giordanis had paid Dream Pools \$15,500 but the pool had not been completed. Work had begun on April 22, 1998. The last time any work had been performed was on July 3, 1998 when Dream Pools had to tear out all of the rock work Tony Clark had performed. Ms. Giordani then described the condition of her pool. She stated that her contract indicated the pool would be completed 35 days from the date the contract was signed. She detailed her attempts to get the pool completed, stating she had met with Connie Salama who told her more money was needed to complete the pool. Ms. Giordani had informed Ms. Salama that no more money was forthcoming until she received lien releases. This request created an impasse, which eventually led to a meeting with a Jayne Brass who told Ms. Giordani she had been hired by Mr. Krowicki to manage the company and that she was working with Connie Salama and Paul Krowicki to straighten it out. She too asked for additional funds. At that time, the Giordanis agreed to put the additional funds into an escrow account if she provided the Giordanis with a list of contractors who had worked on the pool or provided lien releases. The Giordanis had then been provided with a list of 5 additional contractors who had worked on the pool and had supposedly been paid. Three of the five had been paid. The other two knew nothing about the project, indicating they had not

performed any work at the Giordanis, yet one of them had provided the Giordanis with a lien release. Ms. Giordani said Butch Kruume supposedly hand packed the shell and provided her with a lien release on May 18, 1998. In July, someone named David Land of Natural Works signed a lien release for that same hand packed shell. When contacted, Mr. Land said he was not aware of the Giordani project and he had not performed the work on it. Mr. Kruume had been an employee of his over a year and a half ago. Butch Kruume admitted he had performed the work on the pool and that he was not a licensed contractor. More conversation resulted regarding liens and lien releases and Ms. Giordani brought out that on August 24, 1998, Mr. Krowicki had told the Giordanis his hands were tied. He could do nothing. He was on a month to month basis with Connie Salama. The building was leased in her name. She was operating under his license and that in order to proceed on the pool, additional moneys had to be paid. He said Connie Salama was calling the shots. The last time Ms. Giordani had heard from Mr. Krowicki was prior to her witness testimony at the board office. At that time, he stated he wanted to work the matter out privately. He faxed a one-line contract stating he would finish the pool and spa at the subcontractor's estimated cost of \$4,000. Ms. Giordani sent the contract back with the request that she wanted an exact price not to exceed a certain amount; she wanted to know what his intentions were regarding the two liens filed against her home; she wanted exact construction start and end dates; and she wanted to know what type of warranty, if any, she would receive on the pool and who would be doing the work. That had occurred on May 18, 1999. Ms. Giordani had not heard from Mr. Krowicki since. Mr. Wixom then questioned Ms. Giordani regarding the lien releases. This sparked more dialogue. When asked if she was willing to enter into an agreement with Mr. Krowicki to complete the pool, Ms. Giordani told Mr. Wixom no, with explanation.

Linc Dante said he had received a multitude of phone calls indicating that Dream Pools' phone lines had a message on it in Connie Salama's voice, saying the company had temporarily closed and was in the process of being reorganized so as to better serve the consumer. Mr. Dante had, thereafter, visited the office location and found it to be dark. No one was on site. He had returned two to three hours later and found the office in the same condition.

Greg Mincheff verified Ms. Giordani's testimony regarding the condition of her pool. He originally visited the property in September, 1998. Upon returning to the property on May 24, 1999, he found the pool in the same condition as on his previous visit. Mr. Mincheff submitted photographs of the pool, which were entered into the record as EXHIBIT 2. More questioning followed.

NEVADA UNDERGROUND

Louis Carnesale had entered into a swimming pool contract on or about June 23, 1998 with Dream Pools. Dream Pools had been paid a total of \$3,880. Work had begun in late September and had continued into the first part of October. To date, only the gunite shell had been installed. None of the plumbing trim had been set nor had the plaster been done. It had been Mr. Carnesale's understanding the pool was to be completed 25 days after construction started. Mr. Carnesale did not know why the pool had not been completed. He then detailed his attempts to find out why. Thereafter, it was learned Mr. Carnesale had actually dug the pool and had given Dream Pools a check to start the rest of the work. On December 21, 1998, Mr. Carnesale had received a letter from John W. Boyer, on behalf of Dream Pools, requesting him to pay \$5,000 more. Mr. Carnesale next noted all of the problems he had encountered with Dream Pools and with their work. Mr. Carnesale had not had any contact with Mr. Krowicki. All of his dealings had been with someone else.

Carla Massone, Nevada Underground, identified herself. She said she too had never had any contact with Mr. Krowicki but she had had many conversations with Stephanie, Connie, and others in a period of a year and a half.

Mr. Dante confirmed he had verified the job site and it was as presented.

Mr. Griffy referenced Exhibit D of the hearing notice, a list of 53 contracts entered into between Dream Pools and homeowners. Nine of the contracts did not contain completion dates in them. Mr. Griffy listed each by name. All 53 had been cited due to no payment schedule in accordance with the new statute.

Mr. Wixom said respecting the Giordani and Nevada Underground pools, it was Mr. Krowicki's desire to work something out with both parties and to provide a way for Dream Pools to complete their pools as expeditiously as possible. He also spoke to Mr. Boyer's letter and to Dream Pools' contract and payment schedule. Mr. Wixom said Dream Pools was not closed, they were merely moving to a different location. For the record, Mr. Gregory asked what Connie Salama and her husband had to do with Dream Pools. What were their positions? Mr. Wixom answered they were employees of the company.

The evidentiary was closed.

MR. ZECH MOVED TO FIND LICENSE #42278, DREAM POOLS, IN VIOLATION OF ALL CHARGES AS INDICATED IN THE NOTICE OF HEARING.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty phase

MR. ZECH MOVED TO REVOKE LICENSE #42278, DREAM POOLS, AND #41520, PAUL CONSTRUCTION.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

DMI ENTERPRISES #23302 - DISCIPLINARY HEARING

Matthew James Stephens, President, was not present and no one was present to represent him. Tony Tragale, Complainant, and Ron Ramsey, Investigator, were sworn in.

The notice of hearing had been mailed by certified mail on April 23, 1999. It was returned undeliverable, stamped attempted, unknown. The hearing was for possible violation of NRS 624.3017 (1), substandard workmanship; and NRS 624.301 (1) (3) (4), abandonment without legal excuse, willful failure or refusal without legal excuse to prosecute a construction project with reasonable diligence, willful failure or refusal without legal excuse to comply with the terms of a construction contract or written warranty. The hearing notice was entered into the record as EXHIBIT 1.

It was learned the status of the license was suspended for no bond as of May 10, 1998.

Mr. Tragale had entered into a contract with DMI Enterprises on or about October 15, 1997 to reconstruct a property, which had been damaged in a fire. The amount of the contract was \$33,792. Mr. Tragale had given DMI Enterprises a personal property insurance check in the amount of \$6,062.62 as a down payment. On or about January 16, 1998, Mr. Tragale again signed over a \$10,000 check provided by the mortgage company to both he and DMI Enterprises. A second \$10,000 check was sent to DMI a week later. That check had also been endorsed to DMI. Thereafter, Mr. Stephens had written Mr. Tragale a check out of DMI's account for the initial \$6,062 Mr. Tragale had paid him as a down payment. When Mr. Tragale attempted to negotiate the check, he was informed the account had been closed. As of January 23, 1998, Mr. Tragale had paid DMI Enterprises approximately \$26,062.62. For that amount of money, DMI gutted the inside, took down all of the drywall, and cleaned out all the trash from the fire.

Mr. Tragale then detailed his attempts to contact DMI Enterprises. The last time Mr. Tragale had heard from Mr. Stephens, Mr. Stephens said he wanted to complete the job. Mr. Tragale had informed Mr. Stephens he had no more money to give to him. That was sometime in mid March, 1998 and Mr. Stephens had not attempted to contact him again.

Mr. Ramsey said upon receiving the initial complaint, he had gone to the address provided by the licensee. The residence had been boarded up by the city as an attractive nuisance. The residence was uninhabitable and vacant.

The evidentiary was closed.

MR. JOHNSON MOVED TO FIND LICENSE #23302, D M I ENTERPRISES, IN VIOLATION OF ALL CHARGES AND TO REVOKE THE LICENSE. IN THE EVENT THE LICENSEE WAS TO REAPPLY FOR A LICENSE, RESTITUTION OF DAMAGES WAS MANDATORY.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

MCDOWELL CONSTRUCTION #42055 – REHEARING OF MARCH 24, 1998

John McDowell, Owner, was present, along with his attorney, Matt Pierce, and Robert Dodds, Complainant.

Mr. Griffy explained the reason the matter was before the board was because McDowell Construction had initially filed a petition for judicial relief in May, 1998. At that time, Mr. McDowell's attorney of record had been Robert Luke. Mr. Griffy had filed the record on appeal and Mr. Luke was to have his points and authorities filed by August of last year. It had not been done. When Mr. Luke had been contacted, he said he had not had any contact with his client and he was not going to file any points and authorities. Mr. Luke was then notified that Mr. Griffy was going to file a motion to dismiss the petition for judicial relief. The hearing had been held in January and, at that time, Mr. Pierce appeared on behalf of Mr. McDowell opposing the motion to dismiss. The court ruled that the matter was going to be sent back for the limited purposes of allowing Mr. McDowell to cross-examine Robert Dodds. The prior testimony of Robert Macke and Mr. McDowell would stand as it was. Counsel could then argue to the Board after Mr. Dodd's testimony regarding the imposition, which had already been made on Mr. McDowell's license. The Board was free to consider it, reject it, or let it stand.

Under questioning by Mr. Pierce, whose every question focused on what date the event had occurred, Mr. Dodds, who did not recall any of the dates, identified himself as Association President, Ridgemont Townhomes. Mr. Dodds confirmed that when the incident began he had been on vacation. He did not recall when he had returned. Mr. Pierce then showed Mr. Dodds a copy of Mr. McDowell's contract. Mr. Dodds said he had never seen the document before. It was then determined that at some point in time, upon Mr. Dodds return, it had been brought to Mr. Dodds' attention that Mr. McDowell was going to be performing some contracting work for the association. Joe Lamb, Vice President, Ridgemont Townhomes, had arranged to have the work done. He was the one who had contacted Mr. McDowell. Mr. Dodds said when he returned from his vacation nothing was happening, therefore, he questioned what was going on. He then sent a fax to Mr. McDowell, dated September 27, 1997. Mr. Dodds read the fax into the record: "Mike, I never received your documents in regards to Ridgemont Townhomes roofing construct. Imperative that you call me tonight. I have the check for the material ready to mail but will hold it until I hear from you." Mr. Pierce asked Mr. Dodds, if at the time, he had any concerns Mr. McDowell was operating out of scope of his license. Mr. Dodds answered it was normal and standard procedure that any contractor who performed work at Ridgemont was qualified and had the license to do the job. The person who had contacted Mr. McDowell had been remiss in not checking his license. But Mr. Dodds did check it and it was then that Mr. Dodds felt that Mr. McDowell's license did not cover what he was attempting to do. So he contacted the Contractors' Board. A second fax from Mr. Dodds to Mr. McDowell, dated September 30, 1997, was read into the record: "Material on job site. Arrived at 6:55 a.m. No forklift on

job and no Advanced Roofing Technologies representatives. If no answer by 7:30, will proceed with renting a fork lift." Mr. Dodds had not filed a complaint against Mr. McDowell.

When asked by the Board what he was attempting to show with his line of questioning, Mr. Pierce said he was attempting to show there might have been some mitigating circumstances that might have prevented the work from beginning. Mr. Gregory pointed out the charge was Mr. McDowell had bid a job over his limit and out of scope. The time frame was unimportant. Mr. Gregory then asked: "Is the point you are trying to make that he knew before he wrote him a contract that he was out of scope?" Mr. Pierce answered yes. Mr. Gregory then explained a licensee was not allowed to exceed his bid limit without a one-time raise in limit and that the proper license was necessary before bidding a project.

Mr. McDowell then explained how he had gotten involved in the project. The evidentiary was opened to allow questioning of Mr. McDowell.

MR. CARSON MOVED TO RESCIND THE ORIGINAL PENALTY OF \$5,000 AND TO ONLY RECOVER INVESTIGATIVE COSTS OF \$500.

MR. LINDELL SECONDED THE MOTION.

In discussion of the motion, Mr. Zech asked for a financial statement because the license had been on suspension for one year. No action was taken on this suggestion.

THE MOTION CARRIED. (MS. SHELTRA AND MR. ZECH WERE OPPOSED)

RHODES HOMES #28530 – PROBATION AND FINANCIAL REVIEW

James Rhodes, President; Rob Deville, Chief Financial Officer; Don Purdue, Customer Service Representative; Jerry Martucci; and Owen Nitz, Attorney, were present for the interview and the financial review which opened the discussion. At the conclusion of the discussion, Mr. Gregory suggested putting Rhodes Homes back on the agenda for the next Reno meeting on June 8, 1999. Mr. Deville was asked to provide the Board with an updated quarterly financial statement. Ms. Mathias was asked to include both statements in the file. A reviewed financial statement was to be provided prior to the June 22nd meeting.

Mr. Bertuzzi next addressed the open complaints. Approximately 10 had been closed. Many still had one, two or three items needed to be done. Quite a few were scheduled to be completed on the 28th of May. Mr. Bertuzzi was asked to earnestly focus on providing an accurate update of the status of complaints for the June 8th Reno meeting, with, hopefully, 75% of the items closed and off the list. He was also asked to provide information regarding new complaints or sore spots. Mr. Bertuzzi said the number of complaints was reducing in number. In the last 2 weeks, the board had received 5 complaints at the most. Discussion then focused on individual complaints.

Julie Duesterbeck was identified and spoke to her complaint. Ms. Sheltra asked Mr. Bertuzzi to follow up on the item to see if air conditioning could be installed in Ms. Duesterbeck's home.

EXECUTIVE SESSION (Continued)

Mr. Gregory stated both AB634 and SB423 had been put into a conference committee. After some discussion, he asked to be called if anything further occurred.

A general discussion ensued regarding the appropriate license category for the installation of pavers used in driveway, walkway and patios. It was the general consensus of the Board that a C18 or a C5 contractor could perform the work.

POLICY PROCEDURE

Mr. Zech referenced the settlement agreements and asked for verbal approval from Mr. Gregory before staff moved forward. He stated at least one Board member should be involved, preferably in person, but, at the very least, by phone. All agreed.

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 5:00 p.m.

Respectfully Submitted,

Betty Wills, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Kim Gregory, Chairman