

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
JUNE 22, 1999

The meeting of the State Contractors' Board was called to order by Vice-Chairman Dennis Johnson at 8:46 a.m., Tuesday, June 22, 1999, State Contractors' Board, Las Vegas, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

BOARD MEMBERS PRESENT:

Mr. Dennis Johnson – Vice-Chairman
Mr. Doug Carson (Exited at 9:23 a.m., Returned at 11:15 a.m.)
Mr. John Lindell
Mr. Dennis Nelson
Ms. Deborah Sheltra
Mr. Michael Zech

BOARD MEMBERS ABSENT:

Mr. Kim Gregory

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Mr. Robert Griffy, Legal Counsel (Haney, Woloson & Mullins) (Arrived at 10:00 a.m.)
Mr. Dennis Haney, Legal Counsel (Haney, Woloson & Mullins) (Exited at 10:00 a.m.)
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. Carmen Caruso, Senior Investigator
Mr. Greg Mincheff, Investigator
Mr. Ron Ramsey, Investigator
Ms. Betty Willis, Recording Secretary

OTHERS PRESENT:

Barbara Kulish, Court Reporter, CSR Associates of Nevada; Garold Beck, President, and Linda Beck, Secretary/Treasurer, Beck Construction Inc.; Ruben Ochoa, Owner, Concrete Creations Co; Dana Bray, III, Owner, Faster Aire Services; Steven Kessler, Qualified Employee, Turnberry Place Construction; Jeff Silver, Legal Counsel for Turnberry Place Construction; Kelli Ross, President, Keleeco Electrical Services Inc; Steve Ross, Qualified Employee, Keleeco Electrical Services Inc; Jared Likes, Owner, Extreme Plumbing; Mark Barbieri, President, Blatt Development of Nevada Inc; Keith Gregory, Attorney, Michael Smoody General Contractor Inc; Larry Webster, General Manager, Mack Electric; Cydnie ChilIeen, President, Mack Electric; Camille Wright-Rudicil, Compliance Officer, So. Nevada IBEW/NECA UMCC; Jay Cargill; Craig Fisher, Haydon Building Corporation; Shawn Morris, Legal Counsel, Mack Electric; Rick Templeton, Templeton Construction; Anthony Michael Foresta, Owner, Decorative Concrete Coatings; Paul and Tami Elull, Complainants; Robert Curtis Travers, Owner, Concrete & Masonry Specialist; Roman Palmer and Marti Gonzales, Complainants; Gary F. Barton, Owner, Designer Rugs Plus; Theresa Barton; Raymond and Kim Ortega, Complainant; and Wayne Fritzen, Ceramic Surfaces; Complainant.

Ms. Grein stated the agenda had been posted in compliance with the open meeting law on June 16, 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, Las Vegas and Reno, and on the State Contractors' Board web site.

The amended agenda consisted of 31 items, each of an emergency nature. The regular agenda was amended as follows: G L Rawlings Corporation was to be considered as an application and, therefore, removed from the regular agenda; Fradella Iron Works was continued until July; and the Executive Session was postponed until later in the day. There was no objection to hearing the amended agenda.

MR. LINDELL MOVED TO APPROVE THE MINUTES OF JUNE 8, 1999.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

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

BECK CONSTRUCTION INC (C5 - Concrete Contracting) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Garold Beck, President, and Linda Beck, Secretary/Treasurer, were present. The application had been denied on May 25, 1999 for financial responsibility. The applicant had submitted a new bank confirmation form and was asking for reconsideration. The Becks were informed the license application had been approved with a license limit of \$25,000 and a \$10,000 bond.

CONCRETE CREATIONS CO (C5A - Concrete Pouring) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Mr. Zech abstained. Ruben Ochoa, Owner, was present. The application had been denied on May 11, 1999 for financial responsibility. Mr. Ochoa had since provided the board with a new confirmation form. The reason for denial was explained to Mr. Ochoa.

MR. CARSON MOVED TO DENY THE LICENSE APPLICATION FOR FINANCIAL RESPONSIBILITY.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

FASTER AIRE SERVICES (C21B - Air Conditioning) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Dana Bray, III, Owner, was present and informed the license application had been approved with a license limit of \$50,000 and a \$5,000 bond. When notified of the bond amount Mr. Bray asked to discuss the matter with the Board. He pointed out he had another license with a \$2,000 bond and did not feel a \$5,000 bond was justified. A discussion followed but the Board upheld its original decision based on 3 money

owing complaints.

S S D SYSTEMS (C2D,E – Fire detection; signal systems) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

John Affeld, President, was present and notified the license application had been approved with a license limit of \$200,000 and a \$20,000 bond.

TURNBERRY PLACE CONSTRUCTION (B – General Building) NEW APPLICATION, BOARD DECISION, WAIVER OF TESTING

Steven Kessler, Qualified Employee, was present with Legal Counsel, Jeff Silver. Mr. Silver explained that Mr. Kessler was seeking a waiver of examination under NRS 624. Mr. Kessler had almost 30 years of construction experience, having started as an apprentice carpenter with Turnberry Place Construction in Florida, in 1970. He had acquired his own contractors' license in 1982. Mr. Silver then provided the Board with a prospectus indicating the jobs Mr. Kessler had built for Turnberry Place. Mr. Nelson questioned why Mr. Kessler had only supplied two references, which only indicated four years of experience. It was learned Mr. Kessler was the Senior Project Manager for Turnberry Place but he had been told his in-house experience was not applicable as a reference for the license application. Mr. Kessler said he had only submitted local references with the application. And, of course, those were limited because all of his experience was in Florida and mostly for Turnberry Place. He said he could easily provide letters from Turnberry Place to that effect. When asked if this was the only project anticipated in the area, Mr. Kessler said it, currently, was the only one but the owners were looking at land to build on. A financial discussion then ensued.

MR. CARSON MOVED TO APPROVE THE LICENSE APPLICATION WITH THE LIMIT DESIGNATED AS UNLIMITED WITH A \$100,000 BOND, MR. KESSLER WAS TO TAKE THE CMS EXAM BUT THE TRADE EXAM WAS TO BE WAIVED PROVIDED THAT TURNBERRY PLACE SUBMITTED A LETTER TO THE BOARD STATING THE NUMBER OF YEARS MR. KESSLER HAD BEEN EMPLOYED WITH THE COMPANY, AND THAT ALL ITEMS STAFF HAD REQUESTED BE PROVIDED PRIOR TO THE ISSUANCE OF THE LICENSE.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

FEDERAL ELECTRIC CORP (C2 – Electrical Contracting) RAISE IN LIMIT, BOARD DECISION

Cindie Gagliano was present and notified the license application had been approved with a limit of \$750,000 and a \$15,000 bond.

Mr. Carson left the meeting at 9:23 a.m.

KELEECO ELECTRICAL SERVICES INC. (C2 – Electrical Contracting) NEW APPLICATION, REQUESTING WAIVER OF TRADE EXAM, BOARD DECISION

Kelli Ross, President, and Steve Ross, Qualified Employee, were present and informed the license application had been approved with a license limit of \$150,000, a \$10,000 bond, and waive the trade examination.

EXTREME PLUMBING (C1D – Plumbing) NEW APPLICATION

Jared Likes, Owner, was present. Mr. Likes said he intended to do residential custom homes. He did not intend to get involved in buying finished materials. He only wanted to do labor and rough finish.

MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH A \$25,000 LIMIT,

A \$5,000 BOND, AND AN FS UPON RENEWAL.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

D N ANDERSON INC #27759 (B2 – Residential & Small Commercial) BROADENING OF APPLICATION AND CHANGE IN QUALIFIER

Darryll Dodenbier, Secretary/Treasurer, was present and notified both the broadening of the license application and the change in qualifier had been approved.

PUEBLO ELECTRICAL SERVICES #45140 (C2 – Electrical Contracting) RAISE IN LIMIT

Mr. Zech abstained. Shawn Gutierrez, President, had been present but left before the application was reviewed. The license application was then approved with a license limit of \$300,000 and a \$25,000 bond.

BLATT DEVELOPMENT OF NEVADA INC #42048 (B2 – Residential & Small Commercial) ONE TIME RAISE IN LIMIT

Mark Barbieri, President, was present. When asked if the one time raise in limit was for Blatt Development's own project, Mr. Barbieri replied yes. Mike Blatt was the owner of Blatt Development as well as the project the one time raise in limit was being requested for. Mr. Barbieri stated he had bank confirmations for Michael Blatt if they were needed. He was asked to make them available to staff.

MR. ZECH MOVED TO APPROVE THE ONE TIME RAISE IN LIMIT, PAYMENT AND PERFORMANCE BONDS IF REQUIRED.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

MICHAEL SMOODY GENERAL CONTRACTOR INC (B2 – Residential & Small Commercial) NEW APPLICATION, RECONSIDERATION

Keith Gregory, Attorney, was present to represent the licensee.

Ms. Grein stated a complaint had been received on February 24, 1999 indicating Michael Smoody dba Michael Smoody General Contractor had submitted a proposal for a construction project in excess of his license limit. An informal advisory committee comprised of Doug Carson, Rick Bertuzzi, George Lyford, Bob Macke and Margi Grein, had met on June 10, 1999, and recommended that a settlement agreement be submitted to the Board for consideration. Documentation was then provided to the Board recommending an administrative penalty of \$1,000 and \$427.75 in investigative recovery costs.

MR. NELSON MOVED TO ACCEPT THE ENFORCEMENT ADVISORY COMMITTEE'S RECOMMENDATION.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A LICENSE LIMIT OF \$500,000 AND A \$5,000 BOND.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

G L RAWLINGS CORPORATION #6595 – LATE RENEWAL CONSIDERATION

Gregory Rawlings, President, was not present for the late renewal consideration but the application was approved.

The following applications were reviewed and discussion occurred on the following: Nos. 1, 6, 8, 13-14, 16, 21, 30-32, 36-37, 40-42, 46, 68, 71-72, 74-78, 80-82, 89, 94, 96-97, 103, 109-110, 113, 118, 120-122, and 127. The Amended Agenda was reviewed later in the day.

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

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Haney left the meeting at 10:00 a.m. and was replaced by Robert Griffy. Mr. Carson returned at 11:15 a.m. in time to participate in the latter portion of the next hearing.

DISCIPLINARY HEARINGS

CAPITOL ONE D/B/A MACK ELECTRIC, #45677 - DISCIPLINARY HEARING (Continued from April 27, 1999)

Larry Webster, General Manager; Cydnie ChilIeen, President; Camille Wright-Rudicil, Compliance Officer, So. Nevada IBEW/NECA UMCC; George Lyford, Director of SIU; Jay Cargill; and Craig Fisher, Haydon Building Corporation, were sworn in and Shawn Morris, Legal Counsel, was identified.

The hearing was for possible violation of NRS 624.3013 (5), as set forth in NRS 624.230; NAC 624.640 (1) (5); NAC 624.670 (4); NRS 624.265 (2); NAC 624.650 (1) and NRS 624.3015 (1) (2); NRS 624.305 (1) (2); NRS 624.3018 (1) (2); NRS 624.3013 (2); and NRS 624.3014 (1) (2). The notice of hearing was entered into the record as EXHIBIT 1 and the stipulation was signed.

GEORGE LYFORD - Under questioning by Mr. Griffy, Mr. Lyford told the Board he had initiated an investigation earlier this year based upon an investigation he had conducted at the end of last year. When Mr. Webster had submitted an application to change the qualified individual, he had answered no to several questions on the application. Question 7 asked if there were any unpaid past bills for materials, services rendered, labor, or any liens, suits or judgments pending. the background investigation had revealed that there was a federal lien in the amount of \$140,466, which had been recorded in July of 1998, in Maricopa County. There had also been a federal conviction in this particular case but, on the application, Mr. Webster had only indicated that he had a conviction for record keeping. Regarding the record keeping conviction, Mr. Webster had pled guilty to a violation of the Employee Retirement Income Security Act, a Class A misdemeanor. This had resulted in 4 conditions of probation: (1) Mr. Webster was to provide his probation officer access to any requested financial information; (2) The defendant was not to be a signatory or to perform any work on a government contract for a period of 3 years; (3) The defendant was to pay restitution in the total amount of \$50,283.42 to the US Department of Labor, Wage and Hour; and (4) The defendant was prohibited from making major purchases, incurring new financial obligations, or entering into any financial contracts without the prior approval of his probation officer. The basis for the \$50,000 restitution was a result of a plea to a felony conviction for a corporation in which Mr. Webster was the sole owner. There were, then, two

convictions pertaining to Mr. Webster, a felony conviction for the corporation and a misdemeanor conviction. Additionally, there was another conviction for Mr. Webster in the State of Nevada for contracting without a license, also a misdemeanor, as a result of a citation that had been issued on September 3, 1997 by Investigator Clark Thomas. Mr. Webster had entered a guilty plea to that charge and had been sentenced to credit for time served. That information had also not been listed on any of the applications. The bidding over the limit investigation involved 2 cases. One was a case where Mr. Webster had acted and submitted bids for the Southern Nevada Veteran's Home project. The other was Mr. Webster had submitted bids for the UMC project. On the UMC project, it had been determined, through the Bureau of Records at the Bid Depository and from the general contractors involved, that the bids amounted to \$1,913,000. The one-time raises in limit submitted by Mr. Webster prior to the bids amounted to \$1,600,000. When brought before the Board, they were denied. The bids, themselves, did not reflect the license number or the monetary limit of the license. When the original application for licensure had been submitted, Mr. Webster had been listed on the application as the Qualified Employee. When the contracting without a license investigation began, the qualified employee (QE) was changed to H. L. Gordy. The license was thereafter issued to Mack Electric with H. L. Gordy as the QE. There had been a subsequent hearing with Mr. Gordy regarding his licenses and his licenses had been revoked. From the time the notice of hearing had gone out regarding Mack Electric, Mr. Gordy had been removed as the Qualified Employee. The license was currently in a suspended status because there was no qualified employee. Subsequently, Mr. Webster had submitted an application for a change in qualified employee, listing himself as such, after the federal problems had been resolved in Arizona. When originally interviewed, Mr. Gordy had indicated he had loaned his license to Mack Electric to pull permits and that he was working with Mr. Webster, whom he believed was the president of the company. At that time, Mr. Gordy indicated he was not aware of who Cyndie ChilIeen was. Mr. Lyford's entire investigation indicated that Mack Electric was being run and controlled by Larry Webster. He stated that the last time he had spoken with Mr. Webster was here at a board hearing in April when Mr. Webster had been notified that it was imperative Ms. ChilIeen be present at the hearing. He asked how he could get in touch with Ms. ChilIeen but Mr. Webster responded he did not know and he was not able to provide Mr. Lyford with any information. The license reflected the president of the corporation was Cyndie ChilIeen. There were no other principals on the license. The only conversation Mr. Lyford said he had with Ms. ChilIeen was after several letters had been sent to different addresses. He had then located a phone number in Arizona. After several messages had been left, Ms. ChilIeen had contacted him. Thereafter, arrangements had been made for Ms. ChilIeen to receive a subpoena and she accepted it.

Mr. Morris objected to the testimony regarding Mr. Gordy. It was pointed out to him the Board was aware of what took place at that hearing. It was previous knowledge and the two cases were interrelated.

JAY CARGILL testified that he had previously been employed with Richardson Construction for 5 years. He said he was familiar with Larry Webster and had dealt with him as Mack Electric. Mack Electric had been the subcontractor and he had been the estimator for Richardson Construction. Mr. Webster had bid a lot of projects with Richardson. One being the UMC project. Mr. Cargill then detailed what had occurred on that project. Mr. Webster had called him and told him he had put in for a one-time increase and that the labor figure, which he was quoting was \$1.2 million. For bid purposes, Mr. Webster had said Richardson Construction would have to throw in an extra \$800,000 to cover the materials. When asked if that was normal procedure, Mr. Cargill replied it wasn't necessarily normal, but it wasn't out of line either because other trades occasionally did the same thing. It happened several times a month. Mr. Webster's bid had amounted to \$1.9 million. It was the amount listed with the Bid

Depository and the amount it was going to cost Richardson Construction had they have received the bid. They didn't.

Mr. Morris then questioned Mr. Cargill regarding the bid amount and the document he was using to testify. It was learned the document was page 44 of the hearing notice and Mr. Cargill had prepared it. A question and answer period followed.

CRAIG FISHER stated he was currently employed by Haydon Building Corp. He was familiar with Mr. Webster but not with Cydnie Chilleen, whom he had met for the first time at this hearing. He then described his association with Mr. Webster and Mack Electric. He said: "He was a subcontractor. Mack Electric bid work to us and did some work for us." Mr. Webster had bid the UMC project utilizing the same figures and the same condition he had provided Richardson Construction. Mr. Fisher then detailed how he could get a better bid by accepting Mr. Webster's terms. Under questioning by Mr. Morris, Mr. Fisher said he sometimes accepted bids from other contractors presented in a similar manner as it made Haydon more competitive. Questioning followed wherein it was learned that the \$800,000 represented Mack Electric's labor and administrative services on the project.

CAMILLE WRIGHT-RUDICIL explained she was a compliance officer with the Southern Nevada IBEW/NECA Labor Management Cooperation Committee, working for the Board and its trust. She said she monitored any prevailing wage job that was a federal or state job, be it a school system, etc. In this particular case, it was the UMC job that she looked at. She then provided the Board with extensive documentation that she read from and which was then entered into the record as EXHIBIT 2. (Please reference EXHIBIT 2 for further information) Mr. Morris was next provided with a copy of the documentation. He asked what entity the judgments were against. Ms. Wright-Rudicil replied they were against Larry Webster and his company in Arizona, L B Electric. Mr. Morris then established L B Electric was a company in which Mr. Webster was a principal but there was a second principal by the name of Tony Mezzatesta. More questioning followed.

Mr. Morris stated: "It's clear that there are some problems with these proceedings." But he clarified: "There, certainly, was never any intent to subvert or avoid the statutes in the State of Nevada...it was never their intent to avoid the law or to try and dupe anyone."

Mr. Webster testified he had not violated one part of his probation, adding that his probation officer knew he was in the State of Nevada working. To his knowledge, Mack Electric had not bid any work that contained federal money. He called into question the bookkeeping of the IBEW stating that final restitution was less than \$10,000. It was the first time he had ever heard of the judgments against L B Electric Inc., who was also Frankson Investments. He said that prior to the problems L B Electric had experienced in Arizona, it had been a viable contractor for 20 some odd years, without any problems. He advised the Board that they were correct in their assumption that he ran Mack Electric but he also assured the Board that the problems he had encountered in Nevada had been out of ignorance and not due to any intention on his part to defraud anyone. He said he had been in the contracting business all of his life and had bid projects in the same manner, labor only, in twenty-six different states and three foreign countries. He had never experienced the type of issues he was now encountering and he was having a real hard time understanding what it was all about. When the application for licensure had been filled out, there had been no tax lien and the controller, the person who had prepared it, probably forgot about the misdemeanor. Mr. Webster said his negligence had been in not reviewing the application. That information had been left off by mistake, not by intent. Questioning ensued wherein Mr. Webster stated that the terms of his probation did not allow him to participate in any way in a government project but he could bid it since he was not the owner of the company. The owner could perform federal work.

The evidentiary was closed.

MR. ZECH MOVED TO FIND LICENSE #45677, MACK ELECTRIC, IN VIOLATION OF ALL VIOLATIONS AS CHARGED.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty Phase

MR. ZECH MOVED TO IMPOSE A FINE OF \$1,000 FOR EACH CHARGE, NOT INDIVIDUAL VIOLATIONS, OF THE NRS AND THE NAC UPON LICENSE #45677, MACK ELECTRIC, AND TO RECOVER THE COST OF THE INVESTIGATION.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Lyford pointed out that the license was currently suspended for no qualifier. One of the issues in this hearing was Mr. Webster's qualification to be the qualifier. That matter had previously been denied and Mr. Webster was appealing that denial.

MR. ZECH MOVED THAT LICENSE #45677, MACK ELECTRIC, REMAIN SUSPENDED UNTIL THE FINES WERE PAID AND A NEW QUALIFIER FOUND.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

CRAIG ELECTRIC INC. #23231 - DISCIPLINARY HEARING

Aaron Edward Burpee, President, was not present and no one was present on behalf of the licensee.

The hearing notice had been sent certified mail on May 21, 1999. The notice had been returned on June 4, 1999 stamped attempted, not known. The hearing was for possible violation of NRS 624.3012 (2) and NRS 624.3013 (3). The hearing notice was entered into the record as EXHIBIT 1. The returned notice of hearing was entered as EXHIBIT 2.

Robert Chandler, Q E D, Inc. and Linc Dante, Investigator, were sworn in.

Mr. Dante stated that every attempt had been made to contact the contractor. It appeared the licensee was no longer in the state.

A document, which had been received the previous day was entered into the record as EXHIBIT 3.

The evidentiary was closed.

MR. CARSON MOVED TO FIND LICENSE #23231, CRAIG ELECTRIC INC., IN VIOLATION OF ALL CHARGES, TO REVOKE THE LICENSE, AND TO RECOVER INVESTIGATIVE COSTS SHOULD THE LICENSEE REAPPLY FOR A LICENSE.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

CALLAHAN CUSTOM MIRROR & GLASS INC. #31644 - DISCIPLINARY HEARING

John Robert Callahan, President, was not present and no one was present on behalf of the licensee.

The notice of hearing had been sent certified mail on May 21, 1999. The return receipt was dated May 24, 1999. The hearing was for possible violation of NRS 624.3013 (3) and (4); NRS 624.3012 (2); NRS 624.3013 (3); and NRS 624.3016 (1). The hearing notice was entered into the record as EXHIBIT 1.

Linc Dante, Investigator, Ron Ramsey, Investigator, and Rick Templeton, Templeton Construction, were sworn in.

Mr. Dante said all of the evidence in the hearing file had been verified. Moneys were in fact due and not paid. Mr. Templeton had paid out of pocket expenses to correct the situation left behind by the licensee, who was no longer reachable. No contact had been made in the attempts to locate him.

The evidentiary was closed.

MR. LINDELL MOVED TO FIND LICENSE #31644, CALLAHAN CUSTOM MIRROR & GLASS INC., IN VIOLATION OF ALL CHARGES.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty Phase

MR. LINDELL MOVED TO REVOKE THE LICENSE OF CALLAHAN CUSTOM MIRROR & GLASS INC, #31644, AND TO RECOVER THE COST OF THE INVESTIGATION SHOULD THE LICENSEE REAPPLY FOR A LICENSE.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

DECORATIVE CONCRETE COATINGS, #34717 - DISCIPLINARY HEARING

The hearing was for possible violation of NRS 624.3017; NRS 624.3013 (5), as set forth in NAC 624.640 (5) and NAC 624.720 (3,a); NRS 624.3017 (1); NRS 624.3013 (5), as evidenced by violations of NAC 624.700 (3,a). The hearing notice was entered into the record as EXHIBIT 1 and the stipulation was signed.

Anthony Michael Foresta, Owner, Greg Mincheff, Investigator, Bob Macke, Investigator, and Paul and Tami Elull, Complainants, were sworn in.

GREG MINCHEFF described the nature of the Holder complaint. The licensee had applied concrete deck coating to the side and rear concrete area of the Holder home. Mr. Mincheff had found numerous items wrong on various occasions. He had reviewed the site 4 times. Generally, there was either a bubbling, peeling, cracking or misapplied coating to the deck. In conversations with Mr. Foresta, several attempts had been made to perform repairs over a course of time from April, 1998 through November, 1998. Each time the repairs to the different areas changed, resulting in different problems and residual damage, and were, therefore, unsuccessful. The current status was the bonding company had settled the dispute by paying the homeowner and the work was being performed by another contractor. The contract between the two parties did not contain the licensee's monetary license limit.

Mr. Foresta stated that he did attempt to correct the problem each time Mr. Mincheff had contacted him but he believed there was an alkali problem in the soil. He had

intended to get a soil test performed but wound up settling with the Holders before that was done. Mr. Mincheff confirmed Mr. Foresta had responded to every notice to correct and to every phone call. He had attempted to do a satisfactory repair but had failed. Dialogue followed.

PAUL & TAMI ELULL – Mr. Elull verified they had entered into a contract with Mr. Foresta to apply decorative concrete coating on the concrete. He said the problem was Mr. Foresta did not fill in the cracks before applying the coating. He believed that was preliminary work that needed to be done beforehand. But Mr. Foresta maintained he did not fill in cracks. After the coating had been applied, Mr. Foresta asked the Elulls to wait a couple of weeks. Thereafter, he told them that all they needed to do was take a garden hose and anything on the concrete would come off. The worse case scenario was they would have to take a little Dawn detergent and wipe it off. After two weeks, the Elulls took a garden hose and found that the coating had started to peel. Mr. Elull summarized by saying the work had not been done correctly and that each time Mr. Foresta had been contacted, it took several calls to reach him and when he did come out to look at the concrete, he found no problem with it. When asked about the peeling, Mr. Foresta had told Mr. Elull that he could fix that but Mr. Elull said he was more concerned about future peeling. He had asked how that was going to be corrected. After filing the complaint with the board, Mr. Foresta was supposed to strip the whole area and redo it but that had not occurred. Mr. Foresta merely coated over the original design and now the concrete was peeling again and the original design was showing through. Ms. Elull added she had contacted Mr. Foresta right after he had coated the second time because the top coating, which should have dried in an hour, didn't. Mr. Elull contributed that 36 hours later it still had not dried because the temperature was 32 degrees outside. Additionally, due to the blowing winds, leaves, paper, etc. had stuck to the coating. Added to that, as there was no other way to get into the house, the concrete had been walked on, leaving footprints in the coating. Photographs were then presented and entered into the record as EXHIBIT 3. Dialogue regarding the photographs ensued.

BOB MACKE stated the complaint had originally been that of Ben Sample, who was no longer employed by the board. It had been transferred to Mr. Macke, who had contacted Mrs. Elull on April 20th to see if the matter had been corrected. She indicated it had not. Thereafter, the item had been submitted for a board hearing on April 21, 1999. Mr. Macke had not gone to the Elull home, rather he relied on Mr. Sample's notes and the photographs Mr. Sample had taken. An exchange occurred regarding the conversation, which had occurred between Mr. Foresta and Mr. Macke after the case had been turned over to him.

After some discussion regarding Mr. Foresta's work, Mr. Foresta said he had no problem with correcting the work again. He just did not feel he had violated the notice to correct.

Mr. Johnson indicated he had a problem with not having Mr. Macke physically check the work so as to inform the Board what was incomplete. He believed that needed to be done first. He suggested the hearing be continued to the next meeting in July asking that the matter be fixed to the standard of the trade in general, to be verified by Board Investigator, Bob Macke.

Mr. Foresta stated if he could not make the work right, he would give the Elulls a refund.

When asked if they were willing to let Mr. Foresta back on the property, the Elulls said no and left the hearing, indicating they would handle the matter in court.

The evidentiary was closed and a board discussion followed.

MR. CARSON MOVED TO CONTINUE THE HEARING PENDING A THOROUGH INVESTIGATION AND REPORT TO THE BOARD BY INVESTIGATOR MACKE ON THE CURRENT STATUS OF THE PROJECT.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

CONCRETE & MASONRY SPECIALIST, #35015 & #35016 - DISCIPLINARY HEARING

Robert Curtis Travers, Owner, was present but Ms. Grein stated he had sent a letter to the board requesting a continuance although the matter had been continued once before. As the contractor and complainants were present, the Board opted to move forward with the hearing.

The hearing was for possible violation of NRS 624.301 (3); NRS 624.3017 (1); NRS 624.3015 (1); and NRS 624.3013 (5), as evidenced by NAC 624.640 (5) and NAC 624.700 (3,a). The hearing notice was entered into the record as EXHIBIT 1.

Robert Travers, Complainants Roman Palmer and Marti Gonzales, Ron Ramsey, Investigator, and Greg Mincheff, Investigator, were sworn in.

ROMAN PALMER had entered into a contract with Mr. Travers to build a block wall at a property that he owned. Mr. Travers was to build six-foot walls alongside of the house. The total price was \$1,840. Mr. Travers had been paid \$920. That was a down payment so that Mr. Travers could start the work. Mr. Travers had started the work by trenching the footings for the wall as well as inserting rebar but the work was never completed. Concrete blocks had been delivered to the site. Mr. Palmer explained that at the same time Mr. Travers had been contracted for the job at the one property, Mr. Travers had also contracted with Mr. Palmer for other work at Mr. Palmer's residence. When that work had been completed, Mr. Travers failed to return to complete the project in question. The last day any work had been performed on that project was March 24, 1998.

Mr. Mincheff said he had reviewed the contract between the licensee and the complainant. If the contract included the license number or the monetary limit, Mr. Mincheff was not able to distinguish it.

When asked if he had any questions of Mr. Mincheff, Mr. Travers explained Mr. Mincheff had not asked him any questions, he merely stated that the project appeared to be abandoned. At an administrative hearing Mr. Travers had attended he had accused Mr. Mincheff of lying and had, thereafter, been asked to leave. He said, to date, no one had asked him his side of the story.

Mr. Nelson summarized that an altercation had occurred between Mr. Palmer and Mr. Travers while Mr. Travers was working at Mr. Palmer's residence. That caused Mr. Travers not to go back to the other project. Mr. Travers agreed, indicating that Mr. Palmer kept asking for more than what the contract called for, detailing what those items were. He had performed what Mr. Palmer had asked him to do in order to get the job done but when he finally got paid, he did not want to go back and perform the terms of the second contract. Discussion then ensued regarding the events that followed. Mr. Travers then stated that the only reason he had not completed the project after the correction order was issued was because he had not been able to contact the Palmers.

Mr. Palmer countered but agreed he would allow Mr. Travers to return to complete the job to the standard of the trade in general, to be verified by the Board's investigator; to pay Mr. Travers the remaining \$920; and to not request any additional

work to be done that was not specifically shown on the contract. Mr. Travers then agreed to complete the job before the next Las Vegas meeting in July.

MR. NELSON MOVED TO TABLE THE MATTER FOR A REPORT IN APPROXIMATELY 30 DAYS, TO BE PRESENTED AT THE NEXT LAS VEGAS MEETING.

MR. LINDELL SECONDED THE MOTION.

Discussion on the motion occurred.

THE MOTION CARRIED.

After further considering the volatility of the matter, Mr. Nelson and Mr. Lindell rescinded their motion. Mr. Travers offered to refund the Palmers their money and all parties were in agreement the funds would be delivered within two weeks to the State Contractors' board and forwarded to the Palmers.

MR. CARSON MOVED TO DIRECT CONCRETE & MASONRY SPECIALIST, LICENSE #35015 & #35016, TO FURNISH A CHECK IN THE AMOUNT OF \$920, PAYABLE TO THE PALMERS, AND DELIVERED TO THE NSCB WITHIN 2 WEEKS.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MARTI GONZALES testified she had entered into a contract with the licensee to construct a concrete b-b-q foundation, a walkway, and a patio at her residence. This had occurred on or about March 11, 1998. The contract price had been for \$2,937. The contract had been paid in full. The workmanship problem was that there was a dark area in one corner containing many spider cracks, which began to fall apart and make holes in the concrete. She had notified Mr. Travers who attempted to even out the color. He did not attempt to correct the cracking. Mr. Travers acid washed the concrete, discoloring it more but the cracks were not addressed.

Mr. Ramsey verified the concrete was disintegrating on the east side of the patio. He noticed there had been an attempt to patch it but it was plastered with a totally different color and not close to the standards of the industry. The patio itself had a yellowish tinge to it resulting from the acid wash or solution Mr. Travers had apparently used to clarify prior stains. It was then that workmanship issues were validated and a notice to correct issued. After the repairs were performed, Mr. Ramsey once again met with Ms. Gonzales and validated the deck was in worse condition than previously. A second notice to correct was issued but Mr. Travers failed to respond to the homeowner. Mr. Ramsey had reviewed the contract between Ms. Gonzales and Mr. Travers and found he could not locate Mr. Travers license number or monetary license limit.

Much discussion then ensued wherein complainant photos were entered into the record as EXHIBIT 3. Mr. Travers stated he had told Ms. Gonzales he was willing to tear the whole thing out and redo it. He said he had not performed the work, finishers did. He was not happy with the job either but it was acceptable and Ms. Gonzales had paid him. Ms. Gonzales concurred the job had to be redone, stating the reasons why.

DONINADOR CORPUZ, complainant, was not present for the hearing but Mr. Ramsey validated Mr. Corpus's notarized statement on page 33-35 of the hearing notice. For the Board's edification, Mr. Ramsey provided the Board with the details.

Mr. Travers responded to the charges and provided the board with a letter dated March 30, 1999 indicating the investigation had been closed because it was an invalid matter. Mr. Ramsey explained the workmanship item had been closed because another contractor

had corrected the workmanship item and Mr. Ramsey had not been unable to validate the complaint. The complaint before the Board today dealt with an industry regulation, being out of scope. Mr. Travers said he was not a plumber and he never intended to do the work, he was merely providing figures as to what it would cost. He then explained why he did not do the work.

The evidentiary was closed.

MR. ZECH MOVED TO FIND LICENSE #35015 AND 35016, CONCRETE & MASONRY SPECIALIST, IN VIOLATION OF ALL CHARGES EXCLUDING THE PALMER COMPLAINT.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO ISSUE A CORRECTIVE ORDER TO REPLACE MS. GONZALES' PATIO. THE PATIO WAS TO BE CORRECTED WITHIN THE NEXT 30 DAYS AND THE MATTER BROUGHT BACK TO THE BOARD AT THE NEXT LAS VEGAS MEETING FOR FURTHER ACTION.

MS. SHELTRA SECONDED THE MOTION.

In discussion, Mr. Zech pointed out to Mr. Travers how important his cooperation was in the matter. It would weigh heavily on further action by the board. Mr. Lindell asked Mr. Zech if he would consider suspending the license for three weeks until the work was completed. Mr. Zech agreed to add the suspension to the motion as an incentive to Mr. Travers to get the work done immediately. If the work was done by the Reno meeting, the suspension would be lifted.

MR. ZECH AMENDED HIS MOTION TO INCLUDE A SUSPENSION OF LICENSE #35015 AND #35016 UNTIL THE CORRECTIVE WORK WAS COMPLETED TO THE SATISFACTION OF THE TRADE IN GENERAL, TO BE VERIFIED BY THE BOARD'S INVESTIGATOR.

MS. SHELTRA AMENDED HER SECOND.

THE MOTION CARRIED.

DESIGNER RUGS PLUS, #43526 - DISCIPLINARY HEARING

The hearing was for possible violation of NRS 624.3017 (1); NRS 624.3013 (5), as evidenced by violations of NAC 624.700 (3a) and NAC 624.650 (5). The hearing file was entered into the record as EXHIBIT 1.

Gary F. Barton, Owner, Theresa Barton, Raymond and Kim Ortega, Complainant, and Greg Mincheff, Investigator, were sworn in. Richard Reed, Attorney for Designer Rugs Plus was identified. The stipulation was signed.

Mr. Nelson disclosed that one of his foreman had filed a complaint against Designer Rugs Plus which he knew nothing about. There was no objection to Mr. Nelson hearing the case.

MR. & MRS. ORTEGA had entered into a contract with the licensee to install carpeting and Formica flooring at their residence on or about August 13, 1997. The contract price was \$3,864. The licensee had been paid that amount in full. The issues that manifested themselves as workmanship issues were gaps in the Formica flooring; excessive glue, which had been used and not removed; there was a chip on one of the planks that had never been repaired; and there were questions regarding the way the carpeting had been installed. The licensee had been notified regarding the problems and had been given several months to correct the matter before the complaint had been filed with the NSCB. To date, all

repairs had failed. Mr. Ortega then described the Formica in question. The representative of the company that manufactured the product had told Mr. Ortega that the workmanship was poor. The product was superior but not the workmanship.

Mr. Reed questioned the Ortegas and asked to see the original photographs represented in the hearing file. When asked if the photographs fairly and accurately portrayed the way the floor currently looked, Mrs. Ortega replied no. She said the photographs did not show the seams or the problems with the floor. Mr. Ortega added that the way the sun was shining on the floor in the photographs made it difficult to see the problems. Mr. Reed stated he was having difficulty seeing where the problem was and in each instance of an attempt to correct, others had the same difficulty in finding anything to fix. He believed this was a case where the homeowners were simply going to refuse to be satisfied. Mr. Reed was then asked to review the digital photographs that Ms. Ortega was willing to display via her digital camera. More questioning followed.

GREG MINCHEFF testified he had visited the residence in July, 1998 and verified the Ortega's testimony. The separation or the end butts had one or two gaps that were excessive and the contractor had been required to fix it. There was a chip and the greater percentage of the flooring had seams of the planks that had oozed some of the adhesive from beneath. It was less noticeable in some areas than others but it was extremely noticeable when standing on the floor. He acknowledged the flooring was a light color which made it stand out more so because of the light color. Irregardless, the glue was still in the seams and it was visible. Mr. Barton had responded several times in an attempt to clean up the problem and he had contacted others to assist him but it didn't satisfy. The end result was that on September 15, 1998 a representative of the flooring industry was requested to look at the floor. Lou Sumners of L E Franklin had opined that the flooring appeared to be installed to workmanship standards but there was adhesive in the seams. Mr. Barton had also agreed that, yes, there was adhesive in the seams and that it should be replaced but he declined to do so and wanted specific direction from the board to replace it.

Under further questioning, it was learned that the Ortega floor had been laid by an unlicensed contractor by the name of Ken Schram. Mr. Barton said he had gotten his name and number from the Roane Company, the company Mr. Barton had purchased the material from.

Mr. Nelson referenced page 18 of the hearing notice, and read: "This was definitely a poor installation, not the fault of the product. In my opinion an effort toward repair would not be satisfactory with client." Mr. Reed countered that the investigator said it generally conformed to construction standards but that there was excess glue between some of the gaps.

Mr. Barton offered, at his cost, to furnish the same colored floor material to the Ortegas but he said he would not install it. The Ortegas would have to find another installer to do that.

It was at this point that the evidentiary was closed and discussion occurred. Mr. Zech pointed out that he didn't want to charge anything but he believed the floor needed to be brought up to the standard of the trade in general, to be verified by the board's investigator, either by repair or replacement.

MR. ZECH MOVED TO ISSUE A CORRECTIVE ORDER TO CORRECT THE FLOOR TO THE STANDARD OF THE TRADE IN GENERAL, TO BE VERIFIED BY THE BOARD'S INVESTIGATOR. THE MATTER WAS CONTINUED TO THE AUGUST MEETING OF THE BOARD IN LAS VEGAS, ALLOWING THE LICENSEE 60 DAYS TO PERFORM THE CORRECTIVE WORK. THE CHARGES, AS WELL AS OTHER PENALTIES WOULD BE DECIDED AT THAT TIME.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Mincheff was directed to take a second investigator with him to review any corrective work.

SILVER STATE TILE CO. INC., #24123 - DISCIPLINARY HEARING

Chris Cazier, President, was not present and no one appeared on his behalf.

The notice of hearing had been sent certified mail on May 21, 1999 and proof of service had been received on June 2, 1999. The hearing was for possible violation of NRS 624.3012 (2) and NRS 624.3013 (3). The hearing notice was entered into the record as EXHIBIT 1. An unclaimed financial statement request was entered into the record as EXHIBIT 2.

Mr. Johnson recommended entering the file as the findings of fact, conclusions of law. He asked Greg Mincheff, Investigator, if the file was correct. Mr. Mincheff validated the file. When asked if he had ever been in contact with the licensee, Mr. Mincheff replied no, but he believed that he may have located a residence in Pahrump that may be the licensee's home. The licensee had never contacted anyone in this office but he did receive a call from a Joan Cazier who stated they were going to file or had filed bankruptcy although no documents had been provided. When the bankruptcy court had been contacted in March of 1999, they were unable to identify any cases related to Silver State Tile or Cazier.

Wayne Fritzen of Ceramic Surfaces was present and stated he was owed \$875.41. Mr. Fritzen said he had fifty phone calls with Mr. Cazier, fifty promises and fifty no-shows.

The evidentiary was closed.

MR. NELSON MOVED TO ACCEPT THE COMPLETE FILE AS PRESENTED AS FINDINGS OF FACT, CONCLUSIONS OF LAW.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

MR. LINDELL MOVED TO REVOKE LICENSE #24123, SILVER STATE TILE CO, INC.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

MR. LINDELL MOVED TO RECOVER THE INVESTIGATIVE COSTS SHOULD THE LICENSEE REAPPLY FOR A LICENSE.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. LANDSCAPE INC., #34169 - DISCIPLINARY HEARING

Gennaro Joseph Ciccarelli, President, was not present and no one appeared on his behalf.

The notice of hearing had been sent certified mail on May 21, 1999 to the address of record. The hearing notice had been returned unclaimed on June 21, 1999. The hearing was for possible violation of NRS 624.301 (1); NRS 624.301 (3); NRS

624.3012 (1); NRS 624.3013 (3); NRS 624.3013 (5), as evidenced by violations of NAC 624.640 (5); NRS 624.3015 (1), NRS 624.3015 (2); and NRS 624.3016 (1). The hearing notice was entered into the record as EXHIBIT 1.

Linc Dante, Investigator, explained he had talked to the damaged party in this particular instance. The reason they were not present was because all the work had been completed by other contractors and their debt had been washed out in a chapter 7 bankruptcy. Mr. Dante validated all of the charges. Additionally, Mr. Dante stated he had turned the entire complaint over to the SIU department to investigate for a possible fraud charge. After getting paid \$35,000, including a second payment of \$10,000, the licensee had filed bankruptcy. No work had been performed. When asked if the licensee was still in the area, Mr. Dante said he had not been able to make any contact with him. The last contact had been with the licensee's bankruptcy attorney.

MR. NELSON MOVED TO ACCEPT THE COMPLETE FILE AS PRESENTED AS FINDINGS OF FACT, CONCLUSIONS OF LAW.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

MR. NELSON MOVED TO REVOKE LICENSE #34169, MR. LANDSCAPE INC., TO FLAG THE NAME OF THE PRESIDENT FOR FUTURE REFERENCE SHOULD HE EVER APPLY FOR A LICENSE OR ATTEMPT TO OBTAIN ANOTHER LICENSE, AND TO RECOVER THE INVESTIGATIVE COSTS SHOULD THE LICENSEE REAPPLY FOR A LICENSE.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

Fraddella Iron was continued until the July meeting in Las Vegas. A motion was made, seconded, and carried to close the meeting to the public to review the amended agenda.

The amended agenda was reviewed and discussion occurred on the following: Nos. 1-2, 5, 13-14, 19, and 26.

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

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

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

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

EXECUTIVE SESSION

BUDGET REVIEW AND APPROVAL FY 1999-2000

A discussion ensued regarding document imaging and whether it was feasible to work it into the current budget. It was suggested the matter be revisited after the Y2K issues were resolved. A motion was made, seconded, and carried to approve the budget for FY 1999-2000.

LEGISLATIVE REPORT AND DISCUSSION

Ms. Grein reviewed the new legislation with the Board. Several ideas surfaced as to how to handle bidder's preference. Discussion also focused on the recovery fund. It was learned the board would begin to collect the fees on October 1, 1999. Claims could not be filed until July 1, 2001. Ms. Grein suggested going through the legislation and revisiting the issues with the legislature in the next legislative session to clean it up and make the recovery fund fair to all parties involved. Additionally, the board would be responsible for administering the fund. A possible solution would be to hire an outside firm to perform that function. A subcommittee comprised of Mr. Carson, Mr. Johnson, and Ms. Grein was appointed to review the new regulations and develop suggestions, which the board could address.

LEGAL SERVICES

Discussion focused on the possibility of hiring in-house counsel. The board learned that a licensed attorney was needed to present the hearings or it was deemed practicing law without a license. The new statute would go into effect October 1, 1999. Mr. Johnson asked Ms. Grein to provide the Board with a month to month figure representing what had been spent in legal fees. He asked to have that information ready for discussion in the following morning's board meeting.

MR. CARSON MOVED TO RENEW MR. REESE'S CONTRACT ON A MONTH-TO-MONTH BASIS FOR THE NEXT SIX MONTHS.

MS. SHELTRA 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 Vice-Chairman Johnson at 5:38 p.m.

Respectfully Submitted,

Betty Willis, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Dennis Johnson, Vice-Chairman