

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  
OCTOBER 12, 1999

The meeting of the State Contractors' Board was called to order by Vice-Chairman Mike Zech at 8:40 a.m., Tuesday, October 12, 1999, State Contractors' Board, Reno, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

BOARD MEMBERS PRESENT:

Mr. Michael Zech – Vice Chairman  
Mr. Doug Carson  
Mr. Dennis Johnson  
Mr. John Lindell  
Mr. Doug Carson  
Ms. Deborah Sheltra

BOARD MEMBERS ABSENT:

Mr. Kim Gregory

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer  
Mr. Dennis Haney, Legal Counsel (Haney, Woloson & Mullins)  
Mr. Hal Taylor, In-House Legal Counsel  
Ms. Nancy Mathias, Licensing Administrator  
Mr. George Lyford, Director of Special Investigations  
Ms. Kathy Stewart, Licensing Supervisor  
Mr. Jack Edstrom, Investigator  
Mr. Mike Maloy, Investigator  
Ms. Betty Wills, Recording Secretary

OTHERS PRESENT:

Leslie Clarkson, Court Reporter, Sierra Nevada Reporters; David Priess, Qualified Employee, American General Development; Keith Gregory, Legal Counsel: Arfa Contracting Co Inc, S R Construction Inc, M C Mojave Construction, and Kenneth D. Goodrich; William Magrath, Legal Counsel, Clark Pacific; Jack Kasper, Chief Financial Officer and CPA, Clark Pacific; Nicholas Haney, President, H M H Painting Inc; Jennifer Haney, CMS Qualified Employee, H M H Painting Inc; John Hartman, President, Hart Stone Marble & Granite Inc.; Clayton Fleher, President, Hometown Builders; Blake Franzman, Secretary/Treasurer, Hometown Builders; Dale Bogart, Owner, D R Doc Bogart Construction; Ken Sheldon, State Insulation and Drywall; Leon Mead, Legal Counsel, State Insulation and Drywall; Stanley Perry, Rancho Del Norte; David Wayne Hall, Owner, Halls Construction; Charles Dennis Helton, Owner, Palomino Valley Construction; David Brinsko, Complainant; Eric Stovall, Counsel for Palomino Valley Construction; John McCune, Legal Counsel, Quail Construction; Mark Gunderson, Legal Counsel, McKim Homes; Ron McKim, President, McKim Homes; Jeff Ingram, Project Manager, McKim Homes; Melvin Gross, Homeowner; and Joseph Maskaly, Owner, J C Construction.

Ms. Grein stated the agenda had been posted in compliance with the open meeting law, on October 6, 1999, by John Sapp, NSCB Investigator, at the Washoe County Court House, Washoe County Library, and Reno City Hall. In addition, it had been posted in both offices of the Board, Las Vegas and Reno, and on the Board's Internet web page.

It was learned there were 40 items on the amended agenda, each item of an emergency nature. Additionally, there was an advisory opinion for Mesa Mechanical and item number 10 on the agenda, Rhodes Homes, had been continued to the next Las Vegas meeting.

**MR. LINDELL MOVED TO HEAR THE AMENDED AGENDA.**

**MR. CARSON SECONDED THE MOTION**

**THE MOTION CARRIED.**

**ADVISORY OPINIONS**

1. **DOLVEN ARCHITECTURAL ASSOCIATES**, Regional Transportation Commission

The request for an advisory opinion had been withdrawn by the requestor.

2. **NYE COUNTY SCHOOL DISTRICT STAGE PROJECT**, ROSEMARY CLARK MIDDLE SCHOOL, License Requirements for Tibesar Construction Co. (Rescheduled from 9/23/99 Board Meeting)

The scope of work included furnishing, installing, and providing all labor and materials, equipment, transportation, etc., necessary to completely install curtains and tracks including related items as indicated and specified in the contract. The question being asked was do stage curtains and tracks require a license.

The Board opined that a C26B was the applicable license classification for this project.

3. **MCCARRAN INTERNATIONAL AIRPORT: MOBILE HOME DEMOLITION PROJECT**, License Classification (Rescheduled from 9/23/99 Board Meeting)

The scope of work included the demolition of approximately 200 mobile homes, clubhouse, laundry building, wells and water tanks, and vegetation. Clear and grade site to drain into storm drain system. Terminate and cap utilities.

The Board opined that a full A, AB, A13, and C31 were the proper license classifications to perform the work outlined for this project.

4. **CITY OF LAS VEGAS**, Contract Bid Number 99.1739.11-LED, Park Playground Improvements

The scope of work included installation of playground equipment, safety structure, and other related work in accordance with drawings, specifications and condition of the contract.

The Board opined that the work could be performed by a licensee holding a full A, AB, A21, or a C25 license. The work could not be performed by a B or B2 license holder.

5. **MESA MECHANICAL**, CLARK COUNTY BUILDING DEPARTMENT, License Requirement

Mesa Mechanical holds a C1, and an A15, A19 license. The question concerned the Clark County Building Department, who believed that installation of packaged roof top units required a C21 license classification. The units were for heating and cooling and did not require any refrigerant to be installed prior to start-up. The units required gas and drain connection only to operate as designed. Mesa

Mechanical requested an advisory opinion regarding the class required for the installation of these units.

The Board opined that a C21 license was required.

The following motion closed the meeting to the public.

**MR. NELSON MOVED TO CLOSE THE MEETING TO THE PUBLIC.**

**MR. CARSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

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

**LICENSE APPLICATIONS**

**AMERICAN GENERAL DEVELOPMENT** (A10 – Commercial & Residential Pools) NEW APPLICATION

Mr. Lindell abstained based on a potential conflict of interest. David Priess, Qualified Employee, was present, and he was asked why no officer was present. He replied that the officers were busy preparing a bid and had not been able to attend.

It was reported that Mr. Priess had been licensed in the state of Arizona and those licenses had been revoked for failure to perform corrective work, and having persons named on license that is revoked or suspended.

Mr. Priess then explained the events that had happened in Mesa, Arizona, leading to the revocation of Crescent licenses. The company, rather than fight the City of Mesa, had settled with the bonding company. Mr. Priess said that even though the matter had settled, the company took a tremendous hit. It affected the company's bonding capacity and, eventually, their ability to stay in business.

When asked if the company had attempted to follow-up with the Arizona correction notice, Mr. Priess said the company had not felt there was any correction needed as the project had been completed to 95%, and had, therefore, not responded.

Mr. Carson stated he believed the principals of American General Development needed to be present for discussion of these issues.

**MR. CARSON MOVED TO TABLE THE LICENSE APPLICATION UNTIL THE NEXT RENO MEETING FOR THE APPEARANCE OF THE PRINCIPALS.**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION CARRIED.**

Mr. Priess asked if the application could be reviewed at the next Las Vegas meeting. Staff was asked to place the application on the first available agenda, Las Vegas or Reno.

**ARFA CONTRACTING CO INC** (C20 – Tiling) NEW APPLICATION, REQUESTING WAIVER OF TRADE EXAM

Attorney Keith Gregory, was present to represent Barry Arfa, President, who was not present. Attorney Gregory reported that the pending litigation involving Donovan had been resolved and he would provide a copy of the dismissal.

**MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$1.5 MILLION AND A \$20,000 BOND, NO WAIVER OF THE TEST.**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION DID NOT CARRY.**

**MR. NELSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$1.5 MILLION AND A \$50,000 BOND, WAIVE THE TEST.**

**MR. CARSON SECONDED THE MOTION.**

**THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)**

**S R CONSTRUCTION INC #33080A (B – General Building) RAISE IN LIMIT**

Attorney Keith Gregory was present to represent Scott Loughridge, President, who was not in attendance. Attorney Gregory requested that the application be withdrawn.

**CLARK PACIFIC #49736 (B – General Building) RECONSIDERATION OF LIMIT**

William Magrath, Legal Counsel, Clark Pacific, and Jack Kasper, Chief Financial Officer and CPA, Clark Pacific, were present. Mr. Magrath provided background information regarding the license and explained why an unlimited license had been requested. When Clark Pacific had applied for a renewal of its unlimited license, they disclosed they had made a change in their partnership status and were informed they needed to file a new application. When the financial information had been submitted, a \$4 million line of credit had not been submitted on time and thereafter the license had been issued for \$2 million. A new financial statement was now before the Board.

**MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH AN UNLIMITED LICENSE LIMIT AND A \$50,000 BOND.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**H M H PAINTING INC (C4A – Painting) NEW APPLICATION**

Nicholas Haney, President and Jennifer Haney, CMS Qualified Employee, were present. Nicholas Haney said he was working for Lake Gateway Corporation, a general contractor. He admitted he had had some trouble in 1995 but he had not had any since. Ms. Haney explained that her father was providing them with loans as needed.

**MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$20,000, A \$5,000 BOND, AND A FINANCIAL STATEMENT REVIEW UPON RENEWAL.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

The one time raise in limit was explained to the Haneys.

**HART STONE MARBLE & GRANITE INC (C20 – Tiling) NEW APPLICATION, RECONSIDERATION**

John Hartman, President, was present. Kathy Stewart, Licensing Supervisor, reported that the board had received notification yesterday that the qualified employee, Theodore Mamula, had resigned. The application no longer had a qualifier.

Mr. Hartman told the board he had a fabrication facility in the northern part of the city where he fabricated marble and granite slabs. One of the reasons for his presence was he was not sure why the license application had been denied two times. He didn't know if the limit he was asking for was too high. Mr. Hartman said he had recently had a heart

attack and he did not intend to do any type of large commercial work. He intended to phase the work down to only residential and small commercial in the neighborhood of \$50,000.

**MR. CARSON MOVED TO TABLE THE LICENSE APPLICATION TO THE NEXT RENO MEETING FOR A NEW QUALIFIED EMPLOYEE.**

**MS. SHELTRA SECONDED THE MOTION.**

Mr. Hartman said he was a licensed general contractor in California. He said he would probably be the one to take the test.

**THE MOTION CARRIED.**

Mr. Lindell asked Mr. Hartman if he was willing to take the tile examination. Mr. Hartman said yes.

**MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$50,000, A \$10,000 BOND, CONDITIONED UPON PASSING THE EXAM, AND AMENDING THE APPLICATION.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)**

**HOMETOWN BUILDERS (B2 – Residential and Small Commercial) NEW APPLICATION**

Clayton Fleher, President, and Blake Franzman, Secretary/Treasurer, were present. Mr. Carson noted the financial history was marred. Mr. Fleher stated that there had never been a bankruptcy and that the two judgments against him had been satisfied. Mr. Fleher then presented the board with the papers indicating such. He said the SIIS claim was against his previous Nevada license #30561, and he had arranged a settlement with SIIS to eliminate that debt. Ms. Stewart noted a settlement agreement had not been provided to the board. Mr. Fleher next commented that the reason he did not renew his previous license was because he had gotten a divorce and had entered into a bad real estate venture where he lost everything.

Mr. Blake responded to a question regarding medical bills. He stated he had been run over by an Airborne Express van. There was a medical settlement pending.

**MS. SHELTRA MOVED TO TABLE THE LICENSE APPLICATION TO THE NEXT RENO MEETING FOR NEW FINANCIAL INFORMATION.**

**MR. CARSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**SUNLAND INC – ASPHALT & SEALCOATING (A7, A8, A16 – Excavating & Grading; Seal/Stripe Asphaltic Surfaces; Paving Streets, Driveways, Lots) NEW APPLICATION**

Doug DeClusin, President, was present for the following action.

**MR. NELSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$5 MILLION AND A \$50,000 BOND.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**D R DOC BOGART CONSTRUCTION (A7, A8, A11, A12 & A16 - Excavating & Grading; Sealing and Striping of Asphaltic Surfaces; Recycling Asphalt, Excavating, Grading, Trenching & Surfacing; Paving of Streets, Driveways & Parking Lots)**

Dale Bogart, Owner, was present. He was asked to whom his note payable was to. He answered that the amount was the balance he owed on a parcel he owned and on which he had built a grocery store. It was a long-term personal debt. More financial data was reviewed.

**MR. NELSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$750,000 AND A \$20,000 BOND, NO NAME CHANGE REQUIRED.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**STANLEY ACCESS TECHNOLOGIES** (C8E – Automatic Doors) NEW APPLICATION, RECONSIDERATION

Roger Lopez, Associate, was present and notified the license application had been approved with a limit of \$250,000 and a \$15,000 bond.

**G W PACIFIC BUILDERS** #34240 (B2 – Residential & Small Commercial) BOND CANCELLATION

**G W PACIFIC BUILDERS** #34240 (B2 – Residential & Small Commercial) RAISE IN LIMIT

Collen Towery, Associate, was present and informed the bond cancellation had been denied. The raise in limit application had been approved with a limit of \$2 million and a \$15,000 bond.

**PREMIER HOMES INC** #39869 (B2 – Residential & Small Commercial) RAISE IN LIMIT

**PREMIER HOMES INC** #39870 (A – General Engineering) RAISE IN LIMIT

Charles Gierhart, President, was present and notified that the two raise in limits had been approved. License #39869 was approved with a limit of \$1.5 million and a \$15,000 bond and license #39870 was approved with a limit of \$1.5 million and a \$10,000 bond.

After being notified of the Board action, Mr. Gierhart asked if he could increase license #39870 to \$500,000 and to increase license #39869 to \$2.5 million. The Board approved the request.

**STATE INSULATION AND DRYWALL** #40491 (C3D – Insulation) CHANGE IN QUALIFIER

**STATE INSULATION AND DRYWALL** #40491 (C3D – Insulation) REMOVAL OF INDEMNITOR

**STATE INSULATION AND DRYWALL** #40491 (C3D – Insulation) OFFICER CHANGE

**STATE INSULATION AND DRYWALL** #40492 (C4 – Painting) CHANGE IN QUALIFIER

**STATE INSULATION AND DRYWALL** #40492 (C4 – Painting) REMOVAL OF INDEMNITOR

**STATE INSULATION AND DRYWALL** #40492 (C4 – Painting) OFFICER CHANGE

**STATE INSULATION AND DRYWALL** #43710 (B2 – Residential & Small Commercial) REMOVAL OF INDEMNIFICATION

Ken Sheldon, President, State Insulation and Drywall, and Leon Mead, Legal Counsel, were present. George Lyford, Director of Special Investigations Unit, reported that the investigation had been initiated by a complaint that had indicated the original license had been obtained with misrepresentations on it. His investigation, to date, revealed additional

misrepresentations on the current documents submitted to the board regarding Mr. Sheldon's liens and judgments. Certain documents had then been requested from Mr. Sheldon and from State Insulation to support other items in the application. Those documents had been denied based on the advice of Mr. Mead. They had also refused to provide the requested financial statement and documents pertaining to Mr. Sheldon's employment history. After looking at the total package of the company, Mr. Lyford had learned the company had been run without a qualified employee since December, 1998. The company was owned 100% by Harold Moore, whose name was not on the license. Mr. Sheldon had been employed by the company since approximately August, 1998 and had been running the day to day operations since then. Mr. McGuire, the indemnifier, had provided Mr. Lyford with a letter indicating he was not aware that he was the indemnifier on the licenses. Mr. McGuire had indicated that the signatures on the indemnifications were not valid. Mr. Lyford was awaiting verification to that effect. Mr. Sheldon had provided references to verify his employment but it was later learned that one of the references had been signed outside the presence of a notary, even though the document contained a notary stamp and signature. A second reference came from one of the shadow companies of Harold Moore. And, finally, on one of the applications, Mr. Moore's name appeared as the owner but none of his six California licenses were listed on it.

**MR. NELSON MOVED TO TABLE FURTHER ACTION ON THE LICENSE APPLICATIONS UNTIL THE REQUESTED INFORMATION HAD BEEN PROVIDED TO MR. LYFORD.**

**THE MOTION DIED DUE TO A LACK OF A SECOND.**

Mr. Lyford pointed out that there were no longer any officers remaining on the license. Mr. Lindell stated that he would rather see the applications denied for the purpose of a hearing.

**MR. NELSON MOVED TO DENY ALL OF THE LICENSE APPLICATIONS.**

**MR. LINDELL SECONDED THE MOTION.**

**THE MOTION CARRIED.**

Mr. Zech directed staff, saying that the matter was not to be returned to the Board until all documents had been received.

Mr. Mead noted that his client had been asked for a financial statement. One had never been required before and although the company was intent on providing one, it could not have one prepared in 30 days. He asked for a 45 or 60 day extension to have one prepared.

It was learned the licenses were subject to suspension on October 22, 1999 for lack of a qualifier because the time limit of the extension to replace the qualifier was expiring.

Stanley Perry, on behalf of Rancho Del Norte, said his organization was out \$700,000 because State Insulation had walked off of Rancho Del Norte's job on April 2, 1999. They had no qualifier and Mr. Perry said that Rancho Del Norte was willing to testify that Mr. Sheldon had no idea of what he was doing when it came to insulation. He was also willing to bring in the HUD inspector to verify the job had been done poorly.

Mr. Mead said Ms. Thomey was no longer on the board of directors and that she had been the only officer left on the licenses. She had resigned and there were now no original officers remaining on the licenses. Mr. Sheldon was now the new president of the corporation. The Board accepted the amended filing of the officer change application with the understanding it may not fulfill all of the requirements.

Mr. Zech said all licenses were to be scheduled for a hearing in Reno in 60 days.

Discussion followed regarding the removal of the indemnifier. The Board concurred with Mr. McGuire's request to be removed as the indemnifier.

**ADLIN CONSTRUCTION** (C6 – Erecting Signs) NEW APPLICATION, RECONSIDERATION

Jon Endter, Vice President and Qualified Officer, was present and informed the license application had been approved with a limit of \$2 million and a \$30,000 bond.

**NEVADA JOHNSON INC** #20132 (B2 – Residential & Small Commercial) ONE TIME RAISE IN LIMIT

Kirk Johnson, President, was present and informed the one time raise in limit had been approved for \$1.2 million, payment and performance bonds if required.

**NORTHERN NEVADA REBAR** #49425 (C14A – Reinforcing Steel) ONE TIME RAISE IN LIMIT

Edward Doyle, President, was present and notified the one time raise in limit had been approved for \$600,000, payment and performance bonds if required.

The remaining license applications were continued until later in the day.

**MR. CARSON MOVED TO REOPEN THE MEETING TO THE PUBLIC.**

**MR. LINDELL SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**RECONSIDERATION OF DECISION AND ORDER OF PROBATION**

**M C MOJAVE CONSTRUCTION** #25771 RECONSIDERATION OF DECISION AND ORDER OF PROBATION

**KENNETH D. GOODRICH** #23504 RECONSIDERATION OF DECISION AND ORDER OF PROBATION

Neither Charles Leslie Partington, Owner, M C Mojave Construction, nor Kenneth D. Goodrich, Licensee, Kenneth D. Goodrich, were present but both licensees were represented by Keith Gregory, Attorney.

Attorney Gregory explained the illegal joint venture that had been formed; the plea of guilty to the charge; and civil arbitration, which had been pending at the time of the hearing on February 23, 1999. At that time, both licenses had been put on probation. Attorney Gregory believed that upon completion of the arbitration and penalty phase of the hearing, the probation was to be lifted. At the August 25, 1999 meeting, the Board had imposed investigative costs and each license had received a permanent letter of reprimand. The probation status had not been addressed, which was why Attorney Gregory was present. He asked the Board to rescind the probation on both licenses.

Mr. Lindell maintained the probation status should remain in place for one full year from the date the probationary period was imposed, February 23, 1999, and that both licenses should continue to make monthly reports to the Board. Ms. Grein pointed out monthly reports had not been provided. Attorney Gregory apologized and said it was his fault as he was not aware monthly reports had been asked for.

It was learned the investigative costs had not yet been paid but there was still time remaining on the 60 day time frame mandated by the Board.

**MR. LINDELL MOVED TO KEEP THE PROBATION IN EFFECT FOR ONE YEAR COMMENCING FROM FEBRUARY 23, 1999.**

**MS. SHELTRA SECONDED THE MOTION.**

Ms. Sheltra then asked that the year of probation be made effective as of the August 25, 1999 hearing. Mr. Lindell did not amend the motion.

**MS. SHELTRA WITHDREW HER SECOND.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)**

Attorney Gregory was asked to recap the last eight months in the next monthly report to the board and to check on the payment of the investigative costs.

**DISCIPLINARY HEARINGS**

**HALLS CONSTRUCTION** #43917, #39450, #39450A – DISCIPLINARY HEARING  
(Continued from September 7, 1999) Matter not heard

David Wayne Hall, Owner, Halls Construction, Rick Arnaud, Sierra West, and Ron Carney, NSCB Investigator, were sworn in and the stipulation was signed.

An amended notice of hearing, consisting of pages 1-28, had been mailed certified mail on September 23, 1999. The return service was signed and dated September 28, 1999.

The hearing was for possible violation of NRS 624.3014 (2) (a) (b) (c), misuse of license with the intent to evade the provisions of this chapter: aiding or abetting an unlicensed person to evade the provisions of this chapter, combining or conspiring with an unlicensed person to perform an unauthorized act, and allowing a license to be used by an unlicensed person; NRS 624.3015 (3), contracting with unlicensed contractor: knowingly entering into a contract with a contractor while that contractor is not licensed, or bidding to contract or entering into a contract with a contractor for work in excess of his limit or beyond the scope of his license; NRS 624.305 (1), unlawful use, assignment or transfer of license; NRS 624.3013 (5) as set forth in NAC 624.650 (1) and 624.640 (5), failure to comply with law or regulations of board, association with unlicensed person prohibited, and each licensee shall include in all bids he submits or contracts he enters into for construction work within this state, the number of his license and any monetary limit placed upon his license. The hearing notice was entered into the record as EXHIBIT 1.

Under questioning by Mr. Taylor, Mr. Hall testified he had received his B2 classification Nevada contractor's license on September 11, 1997 and had thereafter, on September 12, 1997, entered into a contract with Sierra West Development. The contract included Mr. Hall's license number but not his monetary limit. Mr. Hall had not been aware that it was necessary to include the monetary limit.

Mr. Taylor pointed out that the contract reflected that Mr. Hall had been hired to furnish his contractor's license as necessary to satisfy Lyon County and the lender.

Mr. Hall said he had contracted with Sierra West Development to build houses. When asked if he understood what it meant to act as a building consultant, Mr. Hall replied he had three phases of work he performed, drywall, painting, and plastering. Regarding the foundations, it was his responsibility to be present at the job site every day while Stan, Neal and Rob did the footings. He watched while they did the work and he was there when the building inspector performed his inspections. He told the Board that the three men just mentioned were his employees but they were paid through Sierra West, who also took care of all taxes and industrial insurance.. All three had worked for Sierra West prior to his signing the contract with Sierra West. The framing had been performed by two different people, a Jim Davis and a Matt Vascovich. When asked whom the framers worked for, Mr. Hall replied he was the contractor on the job, the general. He added he also ran phases of the work, like the plastering, through Halls Walls. Again, he too, had been paid by Sierra West and he had been hired after the contract had been signed with Rick and Scott. Mr. Hall testified that he supervised the framing, electrical, plumbing and roofing contractors. He said he pulled approximately 10 permits for 10 different houses.

Mr. Hall next described how the concrete had been paid for. The material and the subcontractors had been paid by Randy Butler of Butler Mortgage. Halls Walls had been paid separately for either ten or eleven houses in two projects, Desert Lakes and Rolling Meadows subdivisions. Mr. Hall said he had been paid \$8,000 to act as a building consultant. In further discussion, it was learned Mr. Hall had been paid the \$8,000 to pull permits. There was a question as to how many permits had been pulled because Mr. Hall said he had only pulled 11 but it was learned he had admitted to the board investigator he had pulled 23. In the end, it was determined Mr. Hall had not acted in the capacity of a general contractor.

Rick Arnaud stated he had not signed the contract with Mr. Hall, his partner had but he explained that the intent of the \$8,000 was a general fee and it was per house. He then detailed what was meant by a general fee. Mr. Arnaud was informed that Sierra West needed a contractor's license to act in the capacity it had acted in.

More discussion followed regarding Mr. Hall's limit of \$150,000 limit versus the limit of \$250,000 he had entered on one of the applications for a building permit. No one time raises in limit had been submitted to the board. Mr. Hall admitted he was responsible for inserting \$250,000 on the permit application. Regarding warranty work, Mr. Hall maintained he assumed the warranty work for the drywall, painting and stucco, whereas the subcontractors were responsible for their own work. Additionally, he said he had a pick-up man whom he paid to perform some of the fixes. When asked to make a distinction between being a superintendent and being a general contractor, Mr. Hall said it was his guess that if one was a superintendent and one was a general contractor, one was still running the job. He said he was definitely on the job and responsible for all of the warranty repairs in the two projects.

Once again it was clarified, that the framing had been performed under Hall's Walls general contracting license but no individual had been hired by Hall's Walls to perform that work.

It was learned that the B2 license had suspended on 8/28/1999 for no bond, and had expired on 9/30/1999. Mr. Taylor pointed out that the notice needed to be amended to reflect that matter. The C4 license and the C17 license were inactive, not renewed as of 4/30/1999. Mr. Hall said he owed money to Ponderosa Wholesale and was in trouble with his bonds. He was going to the bonding company after the hearing. He then detailed what the problem was with the bonds.

Ron Carney stated that on June 19, 1998 he had conducted an interview with Mr. Hall wherein Mr. Hall had indicated he had pulled 23 permits as a general contractor. Regarding repair work, Mr. Hall had made it clear he was not responsible for all of the warranty, only a portion of it. For the portion of the work that he had not performed, Mr. Hall had stated he did not feel he was responsible. In a conversation Mr. Carney had conducted with one of the homeowners, Darley Stibring, on July 22, 1998, she had indicated to Mr. Carney that the people who were making repairs were the employees of Sierra West.

The evidentiary was closed.

**MR. CARSON MOVED TO FIND LICENSE #43917, HALLS CONSTRUCTION, IN VIOLATION OF NRS 624.3014 (2) (A) (B) (C).**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**MR. CARSON MOVED TO FIND LICENSE #43917, HALLS CONSTRUCTION, IN VIOLATION OF NRS 624.305 (1).**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**MR. CARSON MOVED TO FIND LICENSE #43917, HALLS CONSTRUCTION, IN VIOLATION OF NRS 624.3013 (5).**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**MR. CARSON MOVED TO DISMISS THE CHARGE OF NRS 624.3015 (3) AGAINST LICENSE #43917, HALLS CONSTRUCTION.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)**

**MR. CARSON MOVED TO DISMISS ALL CHARGES AGAINST LICENSE #39450, HALLS WALLS DRYWALL & PAINTING, AND 39450A, HALLS WALLS,**

**MR. JOHNSON SECONDED THE MOTION.**

In discussion, when asked on what basis he was making the motion to dismiss, Mr. Carson said the violations occurred relative to the B license and not to the other licenses.

**THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)**

Penalty phase.

**MR. CARSON MOVED TO SUSPEND LICENSE #43917, HALLS CONSTRUCTION, FOR A PERIOD OF 6 MONTHS, DURING WHICH TIME THE INVESTIGATIVE COST OF APPROXIMATELY \$2,761, WAS TO BE RECOVERED. THEREAFTER, IF THE INVESTIGATIVE COST WAS RECOVERED AND THE LICENSE WAS REINSTATED, THE LICENSE WAS TO BE PLACED ON PROBATION FOR 2 YEARS. ADDITIONALLY, A PERMANENT LETTER OF REPRIMAND WAS TO BE PLACED IN THE LICENSEE'S FILE.**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**PALOMINO VALLEY CONSTRUCTION #37975 – DISCIPLINARY HEARING Continued from July 13, 1999, August 10, 1999, & September 7, 1999**

Charles Dennis Helton, Owner, Palomino Valley Construction, David Brinsko, Complainant, Eric Stovall, Counsel for Licensee, and Jack Edstrom, NSCB Investigator were present.

Ms. Grein recapped what had occurred in the September 7, 1999 hearing. The matter had been continued 30 days for the acceptance of staff's recommended action. The licensee, had met with Mr. Brinsko on October 5, 1999. Both had agreed to change the scope of the work recommended by the board. Mr. Brinsko was requesting the board to consider the progress report and to grant another 30-day continuance to allow the work to be completed.

Mr. Edstrom explained that the concrete, which was to be covered by recommendation of the board, had been removed and required replacement, thereby increasing the scope of work. The front porch reconstruction was being inspected this very day so that the concrete could be poured on the morrow. The patio to be covered had been removed and a new patio was scheduled to be poured along with the front porch. The surfacing on the garage floor had been changed to an epoxy-heated surface accepted by the Brinskos. Mr. Edstrom stated it was known as a mechanics floor and should solve the minor drainage problem. Some additional work had been added in the way of a man door that was to be replaced and painted. Mr. Edstrom noted a delay due to a storm but the correction work on the project was progressing.

Mr. Brinsko stated he was satisfied. Work was progressing and he asked the Board for

another 30-day extension. Mr. Helton concurred with Mr. Brinsko with the progress to date.

**MR. CARSON MOVED TO CONTINUE THE HEARING FOR 30 DAYS.**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**NICK MALLAS, GENERAL CONTRACTOR APPLICATION HEARING (Continued from August 10, 1999) Matter not heard**

Nick Mallas, Owner, was not present and no one was present to represent him.

The notice of hearing had been sent certified mail on July 9, 1999. The return receipt was dated July 19, 1999. The matter had originally been scheduled for August 10, 1999. It had been continued at the request of the applicant's legal counsel. The notice of continued hearing had been sent certified mail on August 31, 1999. Service was effected on September 13, 1999. A second amended notice had been sent on September 10, 1999 and the service for the second amended notice was effected September 20, 1999.

The hearing was for possible violation of NRS 624.263, failure to meet criteria for establishing financial responsibility; and NRS 624.3013 (2), misrepresentation. The hearing notice was entered into the record as EXHIBIT 1.

Mr. Haney pointed out that the board had already indicated on their work sheets to deny the license. Mr. Taylor noted that under subparagraph (1) (a), the bankruptcy case number was 9820513 rather than 9820523. He asked the board to accept the allegations.

**MS. SHELTRA ACCEPTED THE ALLEGATIONS AS PRESENTED.**

**MR. CARSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**ELECTRICAL WORKS #37772 – DISCIPLINARY HEARING (Continued from September 7, 1999)**

Max Hatch, Owner, was not present and no one was present on his behalf.

Ms. Grein recapped that in the disciplinary hearing of September 7, 1999, the matter had been continued for 30 days. The notice of continuance had been mailed certified mail on September 15, 1999. The return receipt was dated September 16, 1999.

The charges were possible violation of NRS 624.3012 (1) (2), diversion of money; failure to pay for materials or services; and NRS 624.3013 (3), failure to establish financial responsibility.

The status of the license was inactive, not renewed, as of October 1, 1998.

Mike Maloy, Investigator, testified that the complainant had been paid in full. He added that he had heard from Max Hatch on October 7, 1999. Mr. Hatch had left a voice message indicating that his loan from the pension fund had gone through and he was going to pay Diversified Systems. On October 8, 1999, Mr. Maloy had talked to Jane McIntosh of Diversified Systems. She informed Mr. Maloy that Diversified Systems had received payment in full as of that day and that she would testify to that fact in today's hearing. (Ms. McIntosh's name appears on the Board Meeting Sign-in Log but she was not present at the time of the hearing.)

A financial statement had not been received from Mr. Hatch.

**MR. JOHNSON MOVED TO DISMISS THE CHARGES.**

**MR. LINDELL SECONDED THE MOTION.**

A discussion occurred regarding Mr. Hatch's license file and the ability to note what had happened in this regard if the charges were dismissed. Mr. Lindell asked Mr. Johnson to consider finding the licensee in violation of the charges. Ms. Grein asked to enter the certified mail receipts into the file as EXHIBIT 2, EXHIBIT 3 and EXHIBIT 4.

**MR. LINDELL WITHDREW HIS SECOND AND MR. JOHNSON REMOVED HIS MOTION.**

**MR. CARSON MOVED TO FIND LICENSE #37772, ELECTRICAL WORKS, IN VIOLATION OF THE CHARGES AS STIPULATED.**

**MR. NELSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

Penalty phase.

**MS. SHELTRA MOVED TO RECOVER THE INVESTIGATIVE COST OF \$2,800 IF THE LICENSEE WERE TO EVER REAPPLY FOR LICENSURE.**

**MR. NELSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**FORMAL FINDINGS OF FACT, CONCLUSIONS OF LAW**

**A D N CONSTRUCTION** #42216, #42217, #42218  
Alan D. Newman, President

**MR. CARSON MOVED TO ACCEPT THE FORMAL FINDINGS OF FACT, CONCLUSIONS OF LAW.**

**MR. LINDELL SECONDED THE MOTION.**

**THE MOTION CARRIED.**

Penalty phase.

**MR. CARSON MOVED TO REVOKE LICENSE #42216, #42217, AND #42218, A D N CONSTRUCTION INC, AND TO RECOVER THE INVESTIGATIVE COST OF \$4,408 IF THE LICENSEE WERE TO EVER REAPPLY FOR LICENSURE.**

**MR. LINDELL SECONDED THE MOTION.**

**THE MOTION CARRIED.**

The following motion closed the meeting to the public.

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

**MR. CARSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

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

**LICENSE APPLICATIONS** (Continued)

The remainder of the applications on the agenda were reviewed and discussion occurred on the following: Nos. 5-7, 11-14, 16-17, 20-22, 28, 32-34, 38-45, 52-54, 57, 61, 63, 65, 67-69, 75-76, 78-90, 97, 104, 109-114, 117-121, 123, 126, 133, 135, and 157-158. On the amended agenda: Nos. 9, 11, 12, 14-24, 26, 28-29, and 37-38.

**EXECUTIVE SESSION**

**ANNUAL AUDIT REPORT 06/30/99**

**MS. SHELTRA MOVED TO CONTINUE THE AUDIT REPORT TO THE NEXT MEETING IN LAS VEGAS.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**CASH DISBURSEMENT JOURNALS AND TRANSFERS 06/30/99**

**MS. SHELTRA MOVED TO APPROVE BANK OF AMERICA COMMERCIAL CHECKING ACCOUNT CHECK #17375 THROUGH #17865.**

**MR. LINDELL SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**MS. SHELTRA MOVED TO APPROVE THE BANK OF AMERICA MONEY MARKET ACCOUNT CHECK #1252 THROUGH #1257 AND TRANSFER #9834 THROUGH #9837.**

**MR. LINDELL SECONDED THE MOTION.**

**MS. SHELTRA MOVED TO APPROVE THE WELLS FARGO BANK PAYROLL ACCOUNT CHECK #16449 THROUGH #16798.**

**MR. LINDELL SECONDED THE MOTION.**

**THE MOTIONS CARRIED.**

**EXECUTIVE OFFICERS REPORT**

The Board continued the matter until the next meeting in Las Vegas.

**QUARTERLY REPORT 4/01/99-06/30/99**

Discussion occurred regarding discrepancies on the Reno Statistics Report. The report was held over to the Las Vegas meeting for correction and review.

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

**MS. SHELTRA MOVED TO APPROVE THE AUTHORIZATION OF MERIT INCREASES, IF WARRANTED, UP TO 4%.**

**MR. CARSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**INTERVIEW**

**QUAIL CONSTRUCTION #42823 – INTERVIEW - Reconsideration of One Time Raise in Limit**

Robert Alfred White, President, was not present but he was represented by John McCune,

Legal Counsel.

Kathy Stewart, Licensing Supervisor, explained the application had first been received on June 30, 1999. It was an incomplete application for a one-time raise in limit. It lacked the bid date, the proper financial statement for the indemnitor and the current project list. On the July 8, 1999, the proper financial statement for the indemnitor had been provided and on July 13, 1999, the Board conditionally approved the increase in limit for \$200,000. It was conditioned upon completion of the application to provide the bid date and the project list. On August 2, 1999, the board received notice from Mr. McCune's office to the effect that the bid date was June 9, 1999, a date prior to the submittal of the application. Additionally, the notice requested a reconsideration of the limit to \$400,000. Work had commenced on the project.

Mr. McCune had provided the Board with an explanatory memorandum, dated October 8, 1999, which was before the Board. Ms. Stewart said staff had obtained a copy of the building permit for the project. It was dated April 14, 1999.

Mr. McCune explained that the project was very critical to his client. He said he was the one who had put the date on the document. He had gotten mixed up. He referenced the explanatory memorandum and said all of the facts were laid out in it. The only people involved in the project was the owner and the licensee, who was also performed non-construction type work for the owner. He said the project had never gone to bid, it was strictly a negotiation between the two parties.

**MR. JOHNSON MOVED TO APPROVE THE ONE TIME RAISE IN LIMIT IN THE AMOUNT OF \$500,000, PAYMENT AND PERFORMANCE BONDS IF REQUIRED.**

**MR. LINDELL SECONDED THE MOTION.**

Under discussion, Ms. Sheltra asked who had signed the one time raise in limit application. Mr. McCune and Ms. Stewart both agreed it had been signed by Robert White, the licensee.

**THE MOTION CARRIED.**

### **FORMAL FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISION & ORDER**

#### **MCKIM HOMES #40920 – FORMAL FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISION & ORDER**

Mark Gunderson, Legal Counsel for McKim Homes, Ron McKim, President, McKim Homes, Jeff Ingram, Project Manager, McKim Homes, and Melvin Gross, Homeowner, were present for the hearing.

Mr. Haney explained that McKim had submitted an objection to the findings, along with a sizable amount of evidence, EXHIBITS D, E, F, G, H, I, PART OF J, P, R, S, W, AA and BB. He said the evidentiary had been closed, therefore, the new evidence could not be accepted without reopening the evidentiary portion. He pointed out the Board had two choices. One was to go forward, deny the admission of the new evidence and make a decision. The second was to reopen the evidentiary portion. If the second option was exercised, Mr. Haney said he needed time to review the documentation and other information Mr. Gunderson had in order to respond properly. He noted that in the Administrative Procedures Act, under the evidence portion, it did not have a provision to deal with opening or closing evidentiary as normally performed. But under the appeals portion, it did say that if a licensee had agreed by decision and the licensee requested that additional evidence be presented, the court could return the matter to the agency and the agency would then have to accept the new evidence and make a decision. If the Board were to make a decision now, as the matter stood, an appeal would bring the matter back and the Board would have to reexamine the new evidence, delaying a final decision for several months.

A discussion then followed regarding reopening the evidentiary. In this discussion, Mr.

Haney stated that if the Board opted to continue the hearing, it would be necessary for the licensee to provide all the information intended to prove and the documentation the Board had requested at least 10 days before the hearing. Mr. Gunderson agreed. Mr. Haney indicated he intended to provide additional exhibits and he agreed to the 10-day rule as well. It was pointed out that all of the work had been completed, eliminating the possibility of harm to the homeowners. Both attorneys then agreed they needed approximately 60 days to prepare the new evidence.

Mr. Gross said that after the last hearing, McKim Homes had started 7 to 9 houses. He believed that if the matter was continued, there would be nothing to discuss. All of the homes would be completed and McKim would be gone. He suggested that a surety bond in the amount of \$50,000 be placed on each house so that a new owner would have the opportunity to have their homes corrected in the future. He said he would be harmed if the new homeowners started to complain. The whole neighborhood would be harmed because the value would go down.

Mr. Ingram stated McKim Homes was building approximately 12 homes at this time. There were another 10 to 12 vacant lots remaining.

**MR. NELSON MOVED TO GRANT AN APPROXIMATE 60 DAY EXTENSION.**

**MR. JOHNSON SECONDED THE MOTION.**

For the record, Mr. Zech stated he was not in favor of the motion. Mr. Haney pointed out that after the last hearing, several of the complaints had been closed. It was learned that, currently, there was one open complaint against McKim Homes. The job site investigation was scheduled for October 21, 1999. Jack Edstrom, NSCB Investigator related that it was a driveway complaint but not in the same subdivision. The complaint had been received within the last three weeks. Mr. Edstrom had been informed that some repairs had been made but he did not know if it was to the satisfaction of the homeowner. Ms. Sheltra stated she did not feel comfortable extending the 60 days, explaining her reasons why, but she believed it was necessary. Probation was discussed. Mr. Nelson opted not to amend his motion to include probation, but he added that he too was not happy with the circumstances.

**THE MOTION CARRIED.**

Mr. Haney explained to Mr. Gross why a \$50,000 bond could not be imposed on the homes currently under construction.

Mr. Lindell attempted to offer a motion to place the license on probation but was informed the motion was not valid without first finding guilt or without a factual basis of jeopardy on the homes currently under construction.

Mr. Gunderson stated that the purpose of the action was to increase the probability of fairness and to ensure a full and adequate hearing on both sides.

### **DEAN CONSTRUCTION #39800, #38787 – DISCIPLINARY HEARING**

Raymond Randall Dean, President, was not present for the hearing nor was he represented by counsel.

Mr. Taylor disclosed that, in the approximate year of 1994 or 1995, Logan Lumber had been a client of his. That case had nothing to do with any complainant in this hearing. No objection was forthcoming.

The notice of hearing, consisting of pages 1-30, had been mailed certified on September 9, 1999. Return service was dated and signed September 30, 1999.

The hearing was for possible violation of NRS 624.3012 (2), failure to pay for materials or services; NRS 624.3013 (3), failure to establish financial responsibility; NRS 624.3018 (2), certain persons prohibited from serving as officer, director, associate or partner of

licensee. The hearing notice was entered into the record as EXHIBIT 1.

Mr. Taylor said a request for a continuance had been received the previous day in the office of the board from Raymond Randall Dean, President. The request for continuance was entered into the record as EXHIBIT 2. The request for continuance had been denied and the letter of denial was entered into the record as EXHIBIT 3.

Jack Edstrom, NSCB Investigator, was sworn in and affirmed he had, in fact, spoken with Mr. Dean, that very morning, at approximately 10:00 a.m. Mr. Dean had informed him that he was unable to attend the hearing as he had a doctor's appointment in the afternoon.

Mr. Edstrom had advised Mr. Dean that it was possible the hearing would go forward or be postponed by decision of the Board. Mr. Taylor noted that there was no mention of the doctor's appointment in Mr. Dean's request for continuance.

Mr. Taylor pointed out that the complaint was, in part, a money owing complaint to Logan Lumber. In the hearing notice there was a letter from Logan Lumber, dated October 4, 1999, indicating the \$7,845 debt had been settled for \$4,400. Mr. Taylor did not believe a financial statement had been received from the licensee.

Mr. Edstrom confirmed that the financial statement had not been received, saying that he had discussed the financial statement request with Mr. Dean on two separate occasions during the past week. Mr. Dean had indicated to him that he needed an additional 90 days to get it prepared and submitted to the Board, should it continue to be required. To date, no formal written request for an additional 90 days to submit the financial statement had been made.

Ms. Sheltra asked for clarification of when Mr. Dean had signed the certified mail return receipt. It appeared to have been signed on September 30, 1999. Additionally, Mr. Edstrom said, that within the time limits, the notice of hearing had been sent to Raymond Dean, president of the corporation, to the address of record. The first one had been returned as "refused". Thereafter, Mr. Edstrom had contacted Mr. Dean and asked him why he had refused to accept the notice of hearing. Mr. Dean claimed that he had not.

A second notice had then been sent and had been accepted. In addition to the certified mailings, Mr. Edstrom had served the resident agent of the corporation, Ronald Simkins, CPA, at his address on fourth street on September 15, 1999. Mr. Edstrom's conversation with Mr. Dean regarding his refusal of the certified mailing had occurred on September 20, 1999. Mr. Haney confirmed the notices had been sent out on time.

Mr. Johnson pointed out the B2 classification license was inactive, not renewed, since June 1, 1998. The information was confirmed and it was noted that the A classification license was active.

When asked if it was Logan Lumber's desire to withdraw the complaint, Mr. Edstrom responded yes. Mr. Taylor contended Logan Lumber's letter stated the matter was closed, it did not say it had been withdrawn. Mr. Lindell pointed out that Logan Lumber had been sold, suggesting it might be the reason for the settlement.

Mr. Lindell asked if Dean Construction was still in business. Mr. Edstrom explained that one brother, Raymond Dean, ran the construction business, while another brother, Greg Dean, ran the engineering portion. Greg Dean had given up the business and had gone back east, leaving bills. It was the company's desire to separate the two businesses. All officers were the same on both licenses. Raymond Dean was cleaning up the Logan Lumber bill for materials purchased on the B2 license.

The evidentiary was closed.

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

**MR. NELSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**MR. CARSON MOVED TO SUMMARILY SUSPEND LICENSE #38787, DEAN CONSTRUCTION CORPORATION.**

**MR. NELSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**MR. CARSON MOVED TO SUMMARILY SUSPEND LICENSE #39800, DEAN CONSTRUCTION CORPORATION.**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION CARRIED. (MR. NELSON AND MR. JOHNSON WERE OPPOSED)**

**J C CONSTRUCTION #24395 – DISCIPLINARY HEARING**

Joseph Maskaly, Owner, was not present nor was he represented by counsel.

The notice of hearing, consisting of pages 1-18, was mailed certified on September 23, 1999. The attorney for the respondent had confirmed that service had been effected.

The hearing was for possible violation of NRS 624.3013 (3), failure to establish financial responsibility; NRS 624.3013 (5), as evidenced by NRS 624.283 (3), failure to comply with law or regulations of the board; the board may require the licensee to submit at any time a financial statement that is prepared by a certified public accountant, if the board believes that the licensee did not pay an undisputed debt, the licensee has violated or may be violating a provision of chapter 624, or the licensee's financial responsibility may be impaired; and NRS 624.3012 (1), diversion of money. The hearing notice was entered into the record as EXHIBIT 1.

Eric Cake, Rugbee Building Products, and Mike Maloy, Investigator, were sworn in.

Mr. Taylor questioned Mr. Cake and learned he had entered into an agreement with J C Construction to grant open credit based on his response to a credit application. To date, there were outstanding bills owed to Rugbee Building Products in the amount of \$7,711.97. J C Construction had never indicated to Mr. Cake that they had any intention of paying the debt.

Mr. Maloy testified that J C Construction had been requested to provide a financial statement on March 30, 1999 and on September 9, 1999. In the conversations Mr. Maloy had with the licensee, the licensee never denied owing the money. Mr. Taylor pointed out that J C Construction had filed a Chapter 7 bankruptcy wherein Rugbee Building Products had been listed as a creditor in the amount of \$8,000. When asked if a financial statement had been received, Mr. Maloy affirmed the licensee had not provided the board with the requested financial statement, adding that the licensee had moved to Portland, Oregon.

Mr. Taylor stated that Timothy Post, Legal Counsel for the licensee, had sent him a letter informing the board that neither the licensee nor he would be at the hearing. The letter was entered into the record as EXHIBIT 2. Mr. Taylor's response advising Mr. Post that the hearing would move forward with or without his or his client's presence was entered into the record as EXHIBIT 3.

The evidentiary was closed.

**MR. CARSON MOVED TO ADOPT THE TESTIMONY AND EVIDENCE AS THE FORMAL FINDINGS OF FACT, CONCLUSIONS OF LAW, THE OFFICIAL PREPARATION OF SUCH TO BE PREPARED BY MR. TAYLOR.**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**MR. CARSON MOVED TO FIND LICENSE #24395, J C CONSTRUCTION, IN VIOLATION OF ALL CHARGES AS STIPULATED.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

Penalty phase.

**MR. CARSON MOVED TO REVOKE LICENSE #24395, J C CONSTRUCTION.**

**MR. JOHNSON SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**MR. CARSON MOVED TO RECOVER THE INVESTIGATIVE COST OF \$1,683 IF THE LICENSEE WERE TO EVER REAPPLY FOR LICENSURE.**

**MS. SHELTRA SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**RATIFICATION OF LICENSES ISSUED IN CLOSED SESSION**

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

**MR. LINDELL SECONDED THE MOTION.**

**THE MOTION CARRIED.**

**PUBLIC COMMENT**

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

There being no further business to come before the Board, the meeting was adjourned by Vice-Chairman Zech at 2:43 p.m.

Respectfully Submitted,

Betty Wills, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Mike Zech, Vice-Chairman