

KENNY C. GUINN  
Governor

## STATE OF NEVADA

REPLY TO:

### MEMBERS

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



## STATE CONTRACTORS' BOARD

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### MINUTES OF THE MEETING JULY 27, 1999

The meeting of the State Contractors' Board was called to order by Chairman Kim Gregory at 8:58 a.m., Tuesday, July 27, 1999, State Contractors' Board, Las Vegas, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

#### BOARD MEMBERS PRESENT:

Mr. Kim Gregory – Chairman  
Mr. Dennis Johnson  
Mr. Doug Carson  
Mr. John Lindell  
Mr. Dennis Nelson  
Ms. Deborah Sheltra  
Mr. Michael Zech

#### BOARD MEMBERS ABSENT:

None

#### STAFF MEMBERS PRESENT:

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

#### OTHERS PRESENT:

Cari Inkenbrandt, Court Reporter, CSR Associates of Nevada; Kenneth Bent, Owner, Kenneth Bent; Mark Zamparelli, President, Parelli A/C and Refrigeration; Troy Daniels, Secretary, Parelli A/C and Refrigeration; Larry Corbin, President, Southern Nevada Wholesale Sign Co; Khristina Kay, Vice President, Southern Nevada Wholesale Sign Co; Keith Gregory, Legal Counsel, Environmental Landscape Designs Inc.; Keith Gregory, Legal Counsel, Desert Services LLC; Brad Boman, Vice President, Don Herman Construction Inc.; Pat Morasca, President, Creative Air Consultants Inc.; Daniel Wilson, P.E., Project Manager, City of No. Las Vegas; Jonathan Andrews, Chief Deputy Attorney General; Gail Maxwell, Acting Labor Commissioner; Dianna Hegeduis, Attorney General's Office; David Ford, Legal Counsel, Labor Management Cooperative Committee; Charles Dale Wilkinson, Owner, C W Masonry; Christopher Luzak, Owner, Ace Awning; Mark Allen Thomas, President, Thomas Plumbing Sewer & Drain; Joseph S. Kistler, Legal Counsel, Nigro & Associates; Mike Nigro, Owner, Nigro & Associates; Andrea Nichols, Legal Counsel; Anthony Foresta, Owner, Decorative Concrete Coatings; Robert Travers, Owner, Concrete & Masonry Specialist; Megan Mahoney, Legal Counsel, Concrete & Masonry Specialist; Hal Taylor, Attorney; James Rhodes, President, Rhodes Homes; Rob Deville, Chief Financial Officer, Rhodes Homes; Don Purdue, Customer Service Representative, Rhodes Homes; Jerry Martucci, Rhodes Homes; Owen Nitz, Attorney for Rhodes Homes; Steven Dallas Cox, QE, Great Western Home Improvement & Remodeling; Dallas Edward Cox, aka Johnny A. Cox, Owner, Great Western Home Improvement & Remodeling; Mike McCray, Owner, Mike McCray Enterprises; Eva Reid, Complainant; Mary Messmer, Complainant; Ken and Cory Butcher, Complainants; Rick Gus; Lynda Waskom, Complainant; Frank Santos, Owner, O F N System; Chuck Patchett, Carpet Cleaner; William Marjie, Owner, V J Spray, Barbara and Wayne Melton, Complainants; and George Carter, Legal Counsel for Mr. Marjie,

Ms. Grein stated that the agenda had been posted in compliance with the open meeting law on July 21, 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 Internet.

It was learned there were 33 items on the amended agenda, each item of an emergency nature. The regular agenda was then amended to add an advisory opinion on the installation of air temperature controls; to continue Fradella Iron Works until the next Reno meeting; and to continue Hudson Controls Inc. because Mr. Hibbler was out of town.

MR. NELSON MOVED TO HEAR THE AMENDED AGENDA.

MR. LINDELL SECONDED THE MOTION

THE MOTION CARRIED UNANIMOUSLY.

Mr. Gregory called for a motion to approve the minutes of July 13, 1999.

MR. LINDELL MOVED TO APPROVE THE MINUTES OF JULY 13, 1999.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Grein introduced new staff members to the Board. Each investigator briefly described his background.

The following motion closed the meeting to the public.

MS. SHELTRA MOVED TO CLOSE THE MEETING TO THE PUBLIC.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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

##### KENNETH BENT (A – General Engineering) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Kenneth Bent, Owner, was present. The application had been denied on May 25, 1999 for financial responsibility and moral turpitude. The financial data remained the same. Mr. Bent was licensed in California, but he was currently working in Las Vegas as a superintendent for P R Burke Corporation. When asked what kind of work he performed, he replied he built treatment plants. He said he intended to do small portions of the same type of work. The work was mostly mechanical and underground. It was generally believed Mr. Bent would not be working in anyone's home.

MR. CARSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$300,000 AND A \$20,000 BOND.

MR. JOHNSON SECONDED THE MOTION.

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

##### PARELLI A/C AND REFRIGERATION (C21 – Refrigeration & Air Conditioning) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Mark Zamparelli, President, and Troy Daniels, Secretary, were present. Mr. Zamparelli told the Board that personal indemnification was out of the question. He believed that in the last hearing he and Mr. Daniels really did not have an opportunity to express their case. The application, at that time, had been denied because of financial responsibility. He said they had attempted to find out how

much more money they needed because they had ways of acquiring more funds. Their intent was to start out by working with Sears as a subcontractor. They already had a million-dollar insurance policy, naming Sears on it. He apologized to the Board, explaining they had worked with a school, which he felt had hurt them. It was the school who had placed the monetary limit at \$50,000. All he and Mr. Daniels were asking for was a \$5,000 to \$10,000 limit. He stated he had been performing this type of work since he was 16 years old and he believed he knew what he was doing. Discussion then focused on Mr. Zamparelli's credit report, his criminal record, and the reason why he had not acquired his Florida license. He said they had all of their tools, a van, they could get bonded, they had a million-dollar insurance policy, and they didn't have to put any money up. When asked what they were going to do for Sears, Mr. Zamparelli said they were going to install the systems that Sears sold. Sears was going to provide all of the materials. The indemnification process was once again explained to both gentlemen. When asked if they were willing to indemnify the license, the answer was yes.

MR. NELSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$10,000 AND A \$2,000 BOND, UPON RECEIPT OF BOTH PARTIES PERSONAL INDEMNIFICATION, AND AN FS UPON RENEWAL.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)

SOUTHERN NEVADA WHOLESALE SIGN CO (C6 - Erecting Signs) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Larry Corbin, President, and Khristina Kay, Vice President, were present. Both were asked why the indemnification had been removed. Mr. Corbin said they had submitted the application as a corporation but they did not know that they had to have a corporate financial statement instead of the two personal financial statements they had prepared. A corporate financial statement had now been provided.

MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH A LICENSE LIMIT OF \$50,000 AND A \$10,000 BOND.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED. UNANIMOUSLY.

ENVIRONMENTAL LANDSCAPE DESIGNS INC (C10 - Landscape Contracting) F/S ON RENEWAL, BOARD DECISION

Keith Gregory, Legal Counsel representing Environmental Landscape Designs Inc, was present and informed the renewal application had been approved.

DESERT SERVICES LLC (C2 - Electrical Contracting) NEW APPLICATION

Keith Gregory, Legal Counsel representing Desert Services, was present and entered into a financial review with the Board. When asked if Denny Segler was strictly the qualified employee and not an owner, Attorney Gregory replied yes. He also told the Board the company really did not want a high limit. The applicant was requesting \$25,000 to \$50,000.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A \$50,000 LIMIT AND A \$5,000 BOND. THE CMS EXAM WAS TO BE TAKEN AND PASSED BY KELLY WILKINS, MANAGER, WITHIN 6 MONTHS OF THE ISSUANCE OF THE LICENSE OR THE LICENSE WOULD BE SUSPENDED.

MR. JOHNSON SECONDED THE MOTION.

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

DON HERMAN CONSTRUCTION INC #36019 – (B2 – Residential & Small Commercial)  
RAISE IN LIMIT

Brad Boman, Vice President, was present. He explained that the company mostly built health care facilities. Basically, they bought land and developed it.

MR. JOHNSON MOVED TO APPROVE THE RAISE IN LIMIT FOR \$7 MILLION AND A \$15,000 BOND.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED. (MR. LINDELL WAS OPPOSED)

CREATIVE AIR CONSULTANTS INC (C21 – Refrigeration & Air Conditioning) ONE TIME  
RAISE IN LIMIT, RECONSIDERATION, BOARD DECISION

Pat Morasca, President, was present and informed the one time raise in limit had been approved for \$100,000, payment and performance bonds if required.

The remaining applications were reviewed throughout the morning and discussion occurred on the following: #2-3, 5-6, 10-15, 18-20, 23, 25, 28-31, 35-36, 39-41, 44, 46-47, 53, 62, 75-82. The application review was then continued until later in the day in order to return to the regular agenda,

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

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

ADVISORY OPINIONS1. CITY OF NO. LAS VEGAS - BARO CANYON RESERVOIR PROJECT #51243 -  
LICENSE CLASS

Daniel Wilson, P.E., Project Manager, was present for the advisory opinion. The scope of work involved the construction of a 2 million-gallon ground set steel reservoir, yard piping, site improvements, grading, drainage channel and offsite supervisory control and data acquisition (SCADA) tower. Mr. Wilson explained the tower was a monopole steel structure, 150 feet high. It assembled on a 20-foot deep foundation and included a radio antenna and wire. It slid together and did not require any welding or bolting. The project was one project under one contract. The Board opined that an AB, full A, and an A3 were the proper license to perform the work. The tower was incidental to the reservoir in the case of an A3 license holder.

2. ROSEMARY PARK MIDDLE SCHOOL

No one was present for the advisory opinion although notice had been given to Ron Bishop of Bishop Air Service. The matter concerned the installation of air temperature control units for air conditioning systems mechanical automation to control the temperature, unit stop and start and monitor fan status as well as filter status on multizone units for the school project. The question was could only a C21B install air temperature control units or was a C40 required. The Board opined a C21B could do the installation, as well as a C40 designate.

3. EMPLOYMENT LEASING COMPANIES (CONTINUED FROM 5/13/98)

Ms. Grein recapped what had occurred in two previous advisory opinions and reminded the Board that the item had been submitted to the Attorney General's office for an official opinion because of a complaint that had been lodged against The Eastridge Group. Ms. Grein then read excerpts of EXHIBIT A, a letter dated 2/18/99, that she had submitted to the Attorney General's (AG's) office. On 4/5/99 she had received a response (EXHIBIT B) from that office, indicating that the matter needed to be reviewed on a case by case basis. She noted that she then had attempted to determine who the responsible party was for the work involved, stating the criteria she had

looked at and applied, both to a leasing company and to a contractor, in order to make that determination. She then asked the Board to look at the accountability and the licensing issue. In the case of Eastridge, she asked who was responsible for the work? Ms. Grein next read the conclusion of EXHIBIT B. This letter had been followed by EXHIBIT C, a letter from the Attorney General, dated 4/19/99. This too was read into the record and it suggested that the issue may best be resolved through legislative clarification.

At this point, Mr. Nelson disclosed he was involved with all three agencies that had requested the advisory opinion. Mr. Haney recommended Mr. Nelson abstain from voting.

Mr. Gregory pointed out this was an advisory opinion and not a formal hearing. If there were matters under investigation, it needed to go through the investigative process and then set for a formal hearing if necessary. A decision would be made at that time. Mr. Haney agreed but added the issue could be discussed in general. A discussion then ensued wherein the issues Ms. Grein had posed were addressed.

Jonathan Andrews, Chief Deputy Attorney General, agreed with Mr. Gregory. He said the Board needed to decide how it would proceed with this issue. He said the opinion had been issued based on the question, which had been asked. Recognizing the problem, the AG's office tried to provide the Board with the flexibility to do its job. But an official opinion had not been made if the matter required legislative clarification. He added the cases cited in EXHIBIT B were not Nevada cases.

Mr. Gregory stated it was his desire to end the discussion and carry it over to the first case, which would set the precedent for future cases. Ms. Grein pointed out that if a company was contracting without a license, it would be a criminal case that would normally go through the court system. She was directed to charge the case and bring it before the Board. Ms. Sheltra stated that if a case was brought before the Board, she wanted to know how a leasing company was classified with EICON and what kind of rates they were paying into it.

Gail Maxwell, Acting Labor Commissioner, and Dianna Hegeduis, AG's Office, asked to speak to the Board regarding a prevailing wage issue which existed with some of the leasing companies, particularly, in this instance, Eastridge.

Ms. Hegeduis pointed out that Eastridge had provided laborers to a contractor for a public works project. There was a statute, NRS 338, which required anybody who worked on a public works project to receive the prevailing rate. Eastridge was not paying the prevailing wage and the subcontractor who had the electrical work contract was not requiring Eastridge to pay it either. So, in essence, they had found a loophole, which represented a bigger issue than who paid the paycheck.

Ms. Maxwell added that this issue had always been problematic. Employee leasing companies were legally payrolling. The direction and control of the Labor Commission fell upon the licensed contractor. It was a major issue then to try and pursue only from the leasing company. The Employment Security Division was now attempting to hold both jointly liable. The direction, control, supervision, tools, and the actual contract is with the licensed contractor. The contract was not with the leasing companies, but leasing companies were entering onto the sites and they were not submitting certified payroll reports as required by statute for the licensed contractor. Again, Ms. Maxwell reiterated it was a major issue, not only for the Board, but also for unemployment, EICON, and the labor commission. When asked what was the basis for the loophole in the prevailing wage law, Ms. Maxwell replied that NRS 338 only allowed her to pursue the licensed contractor, who in turn claimed the employees provided by the leasing company were not his employees.

Ms. Hegeduis said that a petition for judicial review regarding Eastridge had been filed. She was trying to get it into the court for an ultimate decision

as to whether or not the contractor or the subcontractor was responsible for those leased workers.

Mr. Gregory stated that the same evidentiary, the same discussion, and the same testimony needed to be presented in a formal hearing. Mr. Haney explained what options were available to the Board: declaratory relief action or the Board could join in the AG's proceeding as a friend of the court. Mr. Gregory clarified that the Board held the contractor 100% responsible for everything that occurred on a job and for every employee, whether the contractor paid them or not.

David Ford, Legal Counsel, representing the Labor Management Cooperative Committee, introduced himself but was asked to delay any testimony he desired to present to the first formal hearing on the matter.

The following motion closed the meeting to the public.

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

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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).

#### APPLICATION HEARINGS

##### C. W. MASONRY (C18 – Masonry) APPLICATION HEARING

Charles Dale Wilkinson, Owner, and Pat Potter, Licensing Supervisor, were sworn in. The hearing was for possible violation of NRS 624.263, financial responsibility of applicant or licensee. The hearing file was entered into the record as EXHIBIT 1 and Mr. Wilkinson signed the stipulation.

It was learned the application had first been heard on March 9, 1999. At that time the financial statement had not been outdated. The Board's recommendation, then, had been to deny the application. A new financial statement had since been provided.

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

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

##### ACE AWNING (C14I – Awnings) APPLICATION HEARING

Christopher Lawrence Luzak, Owner, was present and provided a new financial statement. The payments were now current with the bankruptcy court and Mr. Luzak was three months ahead on the payment plan. When asked what his biggest job was, Mr. Luzak replied \$4,000 to \$5,000.

MR. JOHNSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$10,000 AND A \$2,000 BOND, FS ON RENEWAL.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

#### DISCIPLINARY HEARINGS



THOMAS PLUMBING SEWER & DRAIN #37901 - DISCIPLINARY HEARING (Continued from 4/27/99, 5/25/99 & 6/23/99)

Mark Allen Thomas, President, was present, along with Bob Macke, Senior Investigator. Mr. Macke detailed that Mr. Thomas had called him indicating that the project had been signed off on, but Ms. Nobliski did not agree. Mr. Macke said he had then contacted Mr. Chadnick, who verified he had erred and had rescinded the sign-off because the plumbing was not 12 inches underground. Mr. Macke and Vern Barrows, Investigator, had next gone to the property and found the plumbing was not 12 inches minimum underground but was probably 10 inches. Mr. Macke said Mr. Thomas had showed him something in the codebook written in 1997 that seemed to negate that position but the building department had still issued a correction notice.

Mr. Thomas countered by saying the matter had been signed off. He had the paperwork with him. Mr. Chadnick had signed it off at 8:30 a.m., the previous day. The paper work was provided to Mr. Macke who indicated it was all in order.

It was next determined the cost of the investigation amounted to \$3,900.

MR. LINDELL MOVED TO FIND LICENSE #37901, THOMAS PLUMBING SEWER & DRAIN, IN VIOLATION OF ALL CHARGES AND TO PLACE A ONE-YEAR LETTER OF REPRIMAND IN THE LICENSE FILE.

MR. JOHNSON SECONDED THE MOTION.

Mr. Zech explained why he would prefer to see the investigative costs recovered as well. Ms. Sheltra concurred, reading into the record the comments of Mr. Lindell and Mr. Zech, following the motion, recorded in the minutes of June 23, 1999. But in this instance, Mr. Lindell did not opt to amend his motion.

THE MOTION CARRIED UNANIMOUSLY.

MS. SHELTRA MOVED TO RECOVER THE INVESTIGATIVE COSTS OF \$3,900 DUE TO THE LACK OF ACTION BY THE LICENSEE AFTER THE CORRECTIVE ORDER HAD BEEN ISSUED.

MR. NELSON SECONDED THE MOTION.

Mr. Carson suggested splitting the cost due to extenuating circumstances. He said he would feel more comfortable in recovering 50% of the cost. The motion was then amended and approved as follows:

MS. SHELTRA MOVED TO RECOVER 50% OF THE INVESTIGATIVE COSTS, DUE TO THE LACK OF ACTION BY THE LICENSEE AFTER THE CORRECTIVE ORDER HAD BEEN ISSUED, TO BE PAID WITHIN 60 DAYS OR THE LICENSE WOULD AUTOMATICALLY SUSPEND.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED. (MR. LINDELL AND MR. JOHNSON WERE OPPOSED)

NIGRO & ASSOCIATES #23302 - DISCIPLINARY HEARING (Continued from 5/25/99 and 6/23/99)

Present were Joseph S. Kistler, Legal Counsel, Nigro & Associates; Mike Nigro, Owner; Andrea Nichols, appearing from Mike Mushkin's office on behalf of the Linders; and Greg Mincheff, Investigator.

Mr. Bertuzzi recapped that the two parties were to agree, mutually, on a date and time to start the work. Upon completion, representatives of the Board would review the work. No satisfactory date had been received from the Linders. Mr. Griffy added that he and Mr. Bertuzzi had then had a conference call with Mr. Mushkin on or about July 12 or 13, and a date had been set for July 14. As it turned out, the homeowners were not available on that date. Mr. Mushkin was to get back with Mr. Griffy, Mr. Bertuzzi, Mr. Kistler, or Nigro & Associates to confirm the date, but no one had heard from him. No new date had since been provided.

Ms. Nichols countered that Mr. Mushkin did not receive notice of the desire to set a date until 23 days after the last hearing. When he was notified of the date, only a copy of the notification had been provided to Mr. Linder. Mr. Linder had not been able to obtain time off from work but he was trying to arrange, with his employer, a date to take time off. Ms. Nichols then clarified that Mr. Linder had not been contacted to set up a date. Rather a copy of a letter written to Mr. Nigro informing him of when the meeting had been scheduled had been received. Needless to say, Mr. Linder had been upset that no one had contacted him to find out if he was available. His position was the work was supposed to be scheduled so that there would be minimal intrusion into his life.

Mr. Haney then explained how the matter should have been worked out between both parties, saying Mr. Linder had the right to set the date for the work that he wanted performed, mutually, with Nigro & Associates.

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

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

DECORATIVE CONCRETE COATINGS #34717 - DISCIPLINARY HEARING (Continued from 6/22/99)

Anthony Michael Foresta, Owner, was present.

Ms. Grein provided recent photographs (EXHIBIT 3) to the Board for review. Bob Macke, Senior Investigator, said he had met with the Elluls at their home immediately after the board hearing on June 22, 1999. He had taken 4 photographs of the items that were observable. The Elluls had started a construction project at their residence, which had caused substantial damage to the coating that had been applied by Decorative Concrete to the driveway. The damage had been caused by a forklift, but that fact was not related to the matter being heard this day. The photographs showed that, in the areas open for inspection, the work performed by Decorative Concrete was not to the standards of the industry.

Mr. Macke said his information indicated the Elluls had started the work in the last part of May or the first part of June. The initial notice to correct had been issued in November, 1998 and the final notice had been issued on February 3, 1999. This item had nothing to do with the construction work, which had been undertaken in June of year. In the areas that were undamaged by the new construction, Mr. Macke could see the work had not been done correctly. Mr. Macke then detailed what he saw and said the photographs reflected some of the items described in the last hearing: leaves in the material had been removed; footprints; and defects where the material didn't fill in the concrete underneath.

Mr. Lindell asked if a refund had been provided to the Elluls because Mr. Foresta had said that if he was unable to correct the work, he would give the Elluls a refund. Mr. Macke said the Elluls would not allow Mr. Foresta back on the property and that he had heard nothing from the Elluls about a refund. The Elluls wanted to settle in court.

Mr. Foresta made a comment regarding what he was told by the previous investigator, Ben Sample, that the job was fine.

The evidentiary was closed.

MS. SHELTRA MOVED TO FIND LICENSE #34717, DECORATIVE CONCRETE COATINGS, IN VIOLATION OF NRS 624.3017 (1).

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED. (MR. ZECH WAS OPPOSED)

MS. SHELTRA MOVED TO FIND LICENSE #34717, DECORATIVE CONCRETE COATINGS, IN VIOLATION OF NRS 624.3013 (5).



THE MOTION DIED DUE TO A LACK OF A SECOND.

MS. SHELTRA MOVED TO FIND LICENSE #34717, DECORATIVE CONCRETE COATINGS, IN VIOLATION OF NRS 624.3013 (5), AS SET FORTH IN NAC 624.640(5).

MR. NELSON SECONDED THE MOTION.

THE MOTION DID NOT CARRY.

MS. SHELTRA MOVED TO FIND LICENSE #34717, DECORATIVE CONCRETE COATINGS, IN VIOLATION OF NAC 624.700 (3)(A)

THE MOTION DIED DUE TO A LACK OF A SECOND.

MR. ZECH MOVED TO DISMISS THE CHARGE OF NRS 624.3013 (5) AS SET FORTH IN NAC 624.700 (3)(A).

MR. JOHNSON SECONDED THE MOTION.

Discussion occurred regarding the licensee's attempt to correct and the homeowner's failure to allow him back on the property.

THE MOTION CARRIED UNANIMOUSLY.

MR. ZECH MOVED TO PLACE A ONE YEAR LETTER OF REPRIMAND IN THE LICENSEE'S FILE AND TO RECOVER THE INVESTIGATIVE COSTS OF \$2,521.78, TO BE PAID WITHIN 60 DAYS OR THE LICENSE WOULD AUTOMATICALLY SUSPEND.

MR. NELSON SECONDED THE MOTION.

Discussion occurred regarding placing a permanent letter of reprimand in the file. Mr. Zech believed the licensee had made many attempts to go back and had never refused to do so, therefore, his motion stood as offered.

THE MOTION CARRIED UNANIMOUSLY.

#### CONCRETE & MASONRY SPECIALIST #35015 & #35016 - DISCIPLINARY HEARING (Continued from 6/22/99)

Present were Robert Curtis Travers, Owner, Megan Mahoney, Legal Counsel for Mr. Travers, Ron Ramsey and Greg Mincheff, Investigators.

Ms. Grein said she had received a letter from Ms. Mahoney requesting that the matter be continued. But as the evidence had already been heard, Ms. Grein suggested the continuance not be granted.

Ms. Mahoney explained that Mr. Travers had recently retained the services of Leland Backus & Associates to represent him in this matter. She was asking for additional time in order to do further investigation into the facts; to speak with Mr. Travers additionally; and because lead counsel had a prior conflict. Mr. Gregory said the evidentiary had been closed in the last hearing. The matter now lay with the Board as to what action it would now take.

Both investigators explained no action had been taken regarding the board's direction. Mr. Mincheff said the reimbursement of the \$920 failed to occur and Mr. Ramsey said that in the Gonzales case, no corrective action had been taken.

Ms. Mahoney told the Board Mr. Travers would write the check in the Palmer matter for \$920, right now, in the hearing. Regarding the Gonzales patio, Mr. Travers had made arrangements with another contractor to replace it.

Mr. Ramsey interjected that the patio was too high. It was even with the stem wall. Any water collected would go into the house. If the patio was lowered,

the sidewalk, which had also been poured with the patio, would be too high. That would have to be addressed also. When asked if one could step up to it, Mr. Ramsey said it was also above street line. There was a crown in it and water would run away from the house. However, there would only be a two-inch step, making it illegal.

When asked how the licensee intended to correct the walkway, Mr. Travers replied Ms. Gonzales had agreed to the way the patio had been designed. She had never provided an architectural plan or blueprint, she had left the matter up to his discretion. She had agreed that it was okay for him to pour the concrete in that manner. But Mr. Ramsey reiterated that if the patio was lowered, there would be a two-inch drop at the walkway, which would not be a legal step.

Mr. Travers said that the finisher who had performed the work on the original patio had agreed to replace it. Ms. Sheltra wanted to make it clear to Mr. Travers that due to the information Mr. Ramsey had just provided, the whole matter needed to be resolved without creating new code violations.

Mr. Gregory clarified that the matter remained at status quo. The license was suspended until corrective action was taken and the work met code. He also explained to Ms. Mahoney what she could do to appeal if she chose to do so.

Mr. Gregory offered to carry the hearing over to the next Las Vegas meeting, again pointing out the license would remain suspended until the work was corrected to code. Mr. Zech asked for a stipulation to revoke the license if the corrective action was not completed.

MR. ZECH MOVED TO EXTEND THE CORRECTIVE ACTION FOR 30 DAYS AND TO AUTOMATICALLY REVOKE THE LICENSE IF THE MATTER WAS NOT COMPLETED WITHIN THAT TIME.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

## EXECUTIVE SESSION

### LEGAL SERVICES

Hal Taylor was introduced to the Board. Ms. Grein distributed Mr. Taylor's resume to the Board for review and stated she was desirous of hiring him as in-house counsel. An interview with Mr. Taylor followed. The Board authorized Ms. Grein to hire Mr. Taylor as a full time employee of the board.

### DISCIPLINARY HEARINGS

#### VIC GORDON CONSTRUCTION #46065 - DISCIPLINARY HEARING

Victor J. Gordon, Manager, was not present and no one was present to represent him. Linc Dante, Investigator, was sworn in. The notice of hearing had been sent certified mail on June 17, 1999. There had been no return receipt received. Following that, an amended Notice of hearing, dated June 28, 1999, was sent certified mail on June 28, 1999. The notice had been returned marked, "Forwarding Order Expired," and stating an Arizona address. The same notice was then sent certified mail to the Arizona address on July 2, 1999. The return receipt was dated July 8, 1999. Mr. Dante confirmed the local office had been vacated and the contractor was now in Arizona.

The hearing was for possible violation of NRS 624.5015 (2), bidding to contract or contracting for a sum in excess of the limit placed on the license by the board; NRS 624.3015 (3), 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 624.3014(1a), acting in the capacity of a contractor under any license issued hereunder except, and in the name of the licensee as set forth upon the license; and NRS 624.3013(5), as set forth in NAC 624.640(5): failure in any material respect to comply with the provisions of this chapter or the regulations of the board, 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 monetary limit placed upon his license. The hearing

notice was entered into the record as EXHIBIT 1. A response letter had been received from Vic Gordon Construction and it was entered into the record as EXHIBIT A.

Ms. Sheltra asked if the Foundation For Fair Contracting had been notified because they had a complaint on the same issue. The answer was no. The current status of the license was inactive, not renewed.

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

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MR. JOHNSON MOVED TO FLAG THE LICENSE SO THAT IT COULD NOT BE RENEWED UNTIL IT WAS FIRST BROUGHT BACK BEFORE THE BOARD FOR FORMAL ACTION.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Carson asked Mr. Dante if there was evidence from this investigation that would lead the Board to believe that there were other violations that occurred with other contractors on this project. Mr. Dante replied that there were none with the exception of UNLV Plumbing, who had been \$2,000 over their limit. The items dealt with add-ons. Other investigations were pending. Vic Gordon had pulled the building permits.

#### RHODES HOMES #28530 - STATUS REPORT

James Rhodes, President; Rob Deville, Chief Financial Officer, Rhodes Homes; Don Purdue, Customer Service Representative, Rhodes Homes; Jerry Martucci; and Owen Nitz, Attorney for Rhodes Homes, were present for the status report update.

Charts were distributed. Mr. Nitz said there are 7 issues left, one of which was in dispute, Precision Masonry. Regarding homeowners, of the 6 remaining, there was only one, which had not been filed within the last two weeks, and 2 were Chapter 40 items. He then reviewed with the Board some of the items, which remained problematic and explained what was being done to resolve the issues. But, he pointed out, all items were under control.

Mr. Bertuzzi validated that the investigators concurred with the items on the list and that all the liens had been bonded around.

Mr. Gregory indicated the Board, itself, would now conclude the monthly status updates. The updates were to continue but staff was to review them and, if necessary, bring anything unfavorable before the Board, even if it meant putting it on the emergency agenda.

#### GREAT WESTERN HOME IMPROVEMENT & REMODELING #34569 - DISCIPLINARY HEARING

#### E C DEVELOPMENT #27578 - DISCIPLINARY HEARING

Steven Dallas Cox, Qualified Employee, Dallas Edward Cox, aka Johnny A. Cox; Owner and President, and George Lyford, Director of SIU, were sworn in.

The hearing was for possible violation of NRS 624.3013 (2) & (5), misrepresentation and failure to comply with the laws or regulations of the Board. The hearing notice was entered into the record as EXHIBIT 1. Thereafter, the stipulation was signed. The certified original copy of the hearing notice was entered into the record as EXHIBIT 2.

Mr. Lyford testified he had occasion to investigate whether a licensee known as Dallas Edward Cox was, in fact, Johnny A. Cox. In the course of his investigation, Mr. Lyford had determined that in June of 1988, an application had been filed by

Mr. Cox using a birth date of November 24, 1952 and a social security number of 534-42-0977. The applicant had then been issued a general building license as E. C. Development, a corporation, license #27578. The license was currently inactive as it had not been renewed in 1992 when Mr. Cox applied for and received a sole-proprietorship license, #34569, Western Home Improvement & Remodeling. That license was currently active. When Mr. Lyford checked into the identity being used, he had determined that both licenses had been issued to Dallas Edward Cox, who in fact had been born in the state of Washington and was also listed as deceased on February 14, 1953 in the same state. Copies of the birth and death certificates had been obtained. Through a review of database records, Mr. Lyford next determined that social security number 534-42-0977 had been issued to Julie Groman, a Washington state resident. Ms. Groman had provided Mr. Lyford with an affidavit indicating that the number was her social security number and that she had not given it to anyone to use for any reason. Mr. Lyford then requested the FBI to conduct a fingerprint analysis of the fingerprints of Mr. Cox, Dallas Cox, Johnny Cox, and a Joseph Bugbee. Their determination was that the fingerprints of Dallas Cox, Johnny Cox and Joseph Bugbee were identical and belonged to the same individual. Based on the information, Mr. Lyford next determined from the Sunrise Police Department in Sunrise, Florida, that in 1977, arrest warrants had been issued for Joseph Bugbee for felony check theft. Those warrants had been turned over to the Broward County Sheriff's Department. When contacted, Mr. Lyford learned that the warrants, in the name of Bugbee, were still active and outstanding, but Florida did not extradite outside of the state.

When asked if there was a clause in the applications Mr. Cox had signed indicating that the information he was signing was accurate and truthful, Mr. Lyford answered yes. He added he had not had any conversations with Mr. Dallas Cox, because, to the best of his knowledge, Dallas Edward Cox was deceased and had been deceased in 1953 at the age of 2 ½ months old.

Mr. Cox said he was guilty with an explanation. He said he had changed his name in 1971 from Johnny Alan Cox to Dallas Edward Cox. He did that by applying for a driver's license. He did not go to court to have a formal change of name. He stated he also had two Nevada driver's licenses. One in the name of Dallas Cox and one in the name of Johnny Cox. Both were current and active. He said he had assumed the name of his deceased brother. He admitted that when he submitted the license applications, his legal name was not Dallas Edward Cox. When asked why he had assumed the name of Dallas Cox, he replied that in 1971 he was a bit confused.

Steven Cox, the brother of Johnny or Dallas Cox and the QE on the license, was asked if he wanted to present any statements. He merely asked what the Board intended to do to them. When questioned, he advised the Board that he was the qualified employee on the license of Western Home Improvement & Remodeling and that he had been aware of his brother's false identity. He had gone along with it because Johnny Cox aka Dallas Cox was family.

Mr. Lyford was asked how the matter had surfaced. Mr. Lyford said he had been advised by Mr. Cox's ex-wife. When asked if there were any complaints against the license, Ms. Grein said there had been several, but currently none were open. Mr. Cox said he had been licensed in Nevada since 1983 as Star Satellite.

The Evidentiary was closed.

MR. ZECH MOVED TO FIND LICENSE #34569 AND #27578, IN VIOLATION OF NRS 624.3013 (2) & (5).

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

A discussion ensued as to how best to handle the licensing requirement. A motion was made and withdrawn before the following motion was acted upon.

MS. SHELTRA MOVED TO REVOKE LICENSE #34569, GREAT WESTERN HOME IMPROVEMENT & REMODELING.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

MR. NELSON MOVED TO REVOKE LICENSE #27578, E C DEVELOPMENT.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

For the record, Ms. Sheltra pointed out that one license had been a corporation. She said Nevada had a statute that said if the principals or officers of corporations perpetrated fraud, they were prohibited from acquiring another license. It was her understanding that it might not be possible for either of the two Cox brothers to hold a Nevada license. The Board advised this issue would be investigated further if either Johnny or Steven Cox applied for a license with the Nevada State Contractors' Board.

#### MIKE MCCRAY ENTERPRISES #44326 - DISCIPLINARY HEARING

Mike McCray; Owner, Bob Macke, Senior Investigator; Ron Ramsey, Investigator; Eva Reid, Complainant; Mary Messmer, Complainant; Ken and Cory Butcher, Complainants; Tom Tucker, Investigator; Linc Dante, Investigator; Rick Gus; and Lynda Waskom, Complainant, were sworn in.

The hearing was for possible violation of NRS 624.301 (1), abandonment; NRS 624.301 (3), failure to complete or prosecute diligently project for construction; NRS 624.301 (4), willful failure to comply with terms of contract or written warranty; NRS 624.3011 (1) (a), disregard of plans, and specifications; NRS 624.3011 (1) (c) (1), disregard of laws or regulations, willful or deliberate disregard and violation of the building laws of the state or of any political subdivision thereof; NRS 624.3012 (1) diversion of money; NRS 624.3012 (2), failure to pay for materials or services; NRS 624.3014 (1) (a), misuse of license, acting in the capacity of a contractor other than in the name of the licensee as set forth upon the license; NRS 624.3015 (2), acting beyond scope of license, bidding to contract or contracting for a sum in excess of the limit placed on the license by the board; NRS 624.3015 (3), contract with unlicensed contractor; NRS 624.3016 (1), fraudulent or deceitful acts whereby substantial injury is sustained by another; NRS 624.3016 (3), knowingly making a false statement in or relating to the recording of a notice of lien pursuant to the provisions of NRS 108.226; NRS 624.3017 (1), substandard workmanship; NRS 624.3015 (3) as set forth in NAC 624.720, failure in any material respect to comply with the provisions of this chapter or the regulations of the board; and NAC 624.700 (3) (a), failure to respond to the notice to correct.

The hearing notice was entered into the record as EXHIBIT 1, and Mr. McCray signed the stipulation.

Mr. Griffy questioned Mr. Macke who said he had received a complaint from Fun Products Inc. regarding a code violation from the City of Henderson and the failure to complete a construction contract. When he had visited the site of Fun Products Inc., he had found that a correction notice had been issued on 4/20/1999. It listed 8 items. Item number one related to two items, the difference between the rise on the steps leading to the upstairs display area was not to code and there was no handrail installed on the stairwell. Items 2 through 8 were items listed on the contract that had not been installed by the time of the investigation. The contract totaled \$54,765. The monetary limit of Mr. McCray was \$50,000. No request for a one time or permanent increase in limit had been found for the project. Mr. Macke, along with Vern Barrows, Investigator, had made an on-site investigation the previous day and had found the items had been corrected because Fun Products Inc. was open for business and the code violations could not continue. The name on the contract was listed as Mike McCray Construction Inc. The name of the license was Mike McCray Enterprises, Inc. These issues had been addressed with Mr. McCray and his attorney.

EVA REID had entered into a contract with Mike McCray to perform construction at her home. The proposal contained the name Mike McCray Construction Inc. Mr. McCray began work on the proposal but he did not finish it. Ms. Reid said she had a lot of problems with Mr. McCray. He had



put the framing in and then left. Thereafter, he kept coming and going in between weeks of time. When she complained, he told her he had never provided her with a time frame to complete the work. However, prior to abandoning the project, whenever he requested money he would come and do a little bit of work and then leave. She then related, in detail, the condition of the house when Mr. McCray left the project. Ms. Reid said she had paid Mr. McCray approximately \$24,000 against a contract price of \$26,075. But most of the house had not been completed. In addition to not completing the project, Mr. McCray had sued Ms. Reid for defamation of character.

Mr. Ramsey validated that the building was 40% complete. The drywall was in place and taped. There were no fixtures or painting in place. No finish work had been done. There was a big pile of debris in the driveway. It was totally uninhabitable. Mr. Ramsey only had contact with Mr. McCray on one occasion. Mr. McCray had not attended the on-site meeting with Ms. Reid. Mr. Ramsey had spoken with Mr. McCray's attorney who said the reason for the lawsuit was that Mr. McCray felt he was owed \$2,000 by Ms. Reid.

Mr. McCray then questioned Mr. Ramsey regarding the change orders. After Mr. Ramsey reviewed his records, Mr. McCray said Ms. Reid had refused payment of \$1,000 for the sheetrock when he had asked for it and his contract expressly stated that if someone refused payment, he stopped work.

LYNDA WASKOM stated she had entered into a contract to build a room addition to her house. The contract listed the contractor as Mike McCray Construction Inc. Mr. McCray began work on approximately July 15, 1998. He was last on the project on or about August 20, 1998. The project was approximately 40% or 50% completed. Ms. Waskom said the room addition had not been built according to the handwritten contract she had entered into. The vaulted ceiling was the primary thing. The ceiling was built flat although it had been in the original contract. When Mr. McCray was asked why he did not install the vaulted ceiling, he had said it would cost too much money. Discussion then focused on Mr. McCray's attitude, the fact that he was no longer wanted as the contractor, the fact that Mr. McCray was seldom on site, and workmanship issues.

Mr. Dante validated Ms. Waskom's testimony. He said the project was approximately 40% completed. No plans or change orders had been signed or approved by the homeowner. After the contractor had been terminated from the project, Mr. McCray had made a request for \$3,070 for things not authorized by any written agreement. There had been some verbal agreements made and admitted to by both parties. Nonetheless, the project had not been completed by Mr. McCray.

Mr. McCray said his contract had a clause in it indicating that an owner agreed to pay him 30% of the contract if the contract was cancelled for any reason. Ms. Waskom then stated the job had not been completed because she had requested that Mr. McCray not return. It had not been because Mr. McCray did not come back. She said she had paid him \$10,000 but had then asked him for an accounting to substantiate the amount. To date, Mr. McCray had not provided one. He had provided her with a bill listing items that did not exist. When the bill had not been paid, Mr. McCray put a lien on her property and sued her for defamation, slander, liable, and other charges. The status of the lawsuit was that it was going to arbitration on Aug 24, 1999.

MR. & MRS. BUTCHER - Ms. Butcher testified she had entered into a contract with Mr. McCray to do some landscaping and other items at her house. The contract reflected the name Mike McCray Construction Inc. It was dated June 28, 1998, for an amount of \$32,000. Mr. McCray had been paid approximately \$14,300. She said the only thing that had been completed by the time Mr. McCray walked off the job was that concrete had been poured and an Americoat covering had been put on it. The waterfall pond had been under construction. It was not completed nor was the landscaping. Mr. McCray had taken out a window and replaced it with a sliding door, but that had not been completed either. On 8/27/98, he demanded another \$10,000. By that time it had been 8 weeks into a 2-week contract. Mrs. Butcher then provided photographs she had taken the day Mr. McCray walked off the job. Discussion then followed regarding the



photographs; the payment schedule stipulated in the contract; the work Mr. McCray personally did; Mr. McCray's use of unlicensed contractors, particularly one Manual Silva and Robert Trett; the concrete work which had failed inspection and the amounts that had been quoted to correct or replace it; the amount it would cost to replace the waterfall, which had been installed incorrectly by Chris Newington of Landmark Design, who was licensed to only design the waterfall but not build it; and Big Al's Service who had erected the lattice cover over the deck. Approximately 30% of the entire job had been completed. Mr. McCray had filed a lien against the Butchers in the amount of \$10,000 and \$90,000 in a civil lawsuit. Mr. McCray's advertising was then discussed and photocopies of the Custodian of Records, Nevada State Contractors Board, indicating that Manual Silva, Robert Trett, and Big Al's Services were unlicensed contractors were entered into the record as EXHIBIT 2.

Mr. Dante said he had been to the Butchers' residence on two separate occasions. On the first visit he found the work had been abandoned. The contract had many items that were not included. He then detailed what those items were. He said the work was approximately 30% to 40% completed. He then explained what the Clark County correction notice involved but added there were a multitude of other items the building department was not involved in. On his second site visit, he found the concrete was falling apart and needed to be redone. The waterfall leaked. It had no filtration and contained the worse swamp water imaginable. Mr. Butcher explained what he had originally asked for but said both of the items he had requested had been neglected. Mr. Dante validated all the items as stated. He said he had had one phone discussion with Mr. McCray but it regarded all of the cases in general and the seriousness of the issues. Mr. Dante added that at the conclusion of that conversation, Mr. McCray did attempt to perform some of the corrections.

Mr. Gregory asked Mr. McCray if it was his understanding that the people he worked for were to finance his business prior to the completion of the project. Mr. McCray replied that was what his contract called for. He then addressed the workmanship items and the Butchers addressed the additional costs incurred to them.

MARY MESSMER had entered into a contract with Mr. McCray on or about August 15, 1998 to construct a stairway and a loft at her residence. Mr. McCray had used the name Mike McCray Construction Inc. Ms. Messmer had paid Mr. McCray a total of \$2,946 toward the contract. Work began on or about September, 1998. He did not complete the project but had last worked on it about December 12, 1998. Out of the work that Mr. McCray had performed, the footing that had been poured inside the house to support the staircase and balcony had been poured too high; the carpet had been cut for the footing but it was now fraying and falling apart, even though it was brand new when Mr. McCray had started; and the air conditioner had not been completely installed. Mr. McCray left the job after he wanted a payment of \$700. He had been told the carpet needed to be fixed but Mr. McCray had said he was not going to replace the carpet. Ms. Messmer then informed him he would not receive his \$700. He never came back to finish the air conditioner. She said the footing in the walkway only needed to be sanded down.

Mr. Tucker validated Ms. Messmer's testimony. He said the carpet had a very visible X cut in it, 2' x2' square. The footing was approximately one inch too high.

Mr. McCray then questioned Ms. Messer regarding a change in plans. She said she never saw the plans. He pointed out that work was stopped because he had not been paid. Ms. Messmer said she didn't pay Mr. McCray because she wanted the problems addressed. He again referred to his contract, indicating he stopped work if he was not paid. Thereafter, he filed a lien and turned the case over to his attorney who advised him to not do anything. The attorney, Ken Cory, was no longer representing Mr. McCray because he could not afford to pay him.

Mr. Nelson asked Mr. McCray if he ever completed a job without getting paid and where was his responsibility as a general contractor to complete a job. Mr. Gregory stated this was not the way the construction industry worked. A contractor was expected to complete a project in good faith before getting paid.

Mr. Gregory then asked to see a current financial statement.

KAREN PERKINS - Mr. Dante next spoke to the Karen Perkins complaint. He said he had performed an on-site inspection. The contract had been entered into with Ms. Perkins paying \$18,000 up front. Approximately 33% of the work had been completed before being abandoned. After the board's involvement, Mr. McCray issued a letter to all parties involved indicating that he was no longer in business. He had ceased operations and his attorney was to be contacted. A Janice Smith was next contacted and she stated she was going to handle Mr. McCray's bankruptcy. Later she withdrew from the case. Since that time Mr. McCray had been to the Perkins project to complete it. However, he was also being paid constantly. More discussion occurred regarding how much Mr. McCray had been paid, to date, on the project. Mr. Dante pointed out the permits had been changed to owner, builder. Mr. McCray said the reason for the change was that he had gone out of business, so Ms. Perkins had to handle it, but he intended to build the project for her. When asked if he had solicited new business, Mr. McCray said no, he was out of the construction business.

Mr. Gregory left the meeting at 4:00 p.m. and Mr. Johnson assumed the chair.

TIMOTHY GEORGE - Regarding the Timothy George complaint, Mr. Dante said he had recently been given his money back. He had contracted for a project totaling \$9,000. He had paid a \$3,000 deposit. It had been returned. The contract listed the contractor as Mike McCray Construction Inc.

MONEY COMPLAINTS - Mr. Dante addressed several money owing complaints and it was learned that Chris Julke Plumbing had been paid in full the \$11,020 owed for work on several of the projects discussed; Knight Fire Protection was still owed \$4,500; Kelly Donovan-Faucher had paid \$8,600 up front, but no work had been performed, although Mr. McCray had returned \$1,000 and he was going to pay him another \$1,000 this week, and, thereafter a \$1,000 a month until paid; and Myrna & Juan who had paid Mr. McCray \$18,000 toward a \$22,000 contract, project yet to be completed. All cases indicated Mr. McCray had used the name Mike McCray Construction Inc.

Mr. McCray then presented his defense, which basically consisted of the fact that all complaints were due to non-payment of his contract. When asked why he used Mike McCray Construction Inc., Mr. McCray said that was his DBA. He was informed there was no DBA on his license application and that the regulations called for the DBA to be filed with the board. Discussion then occurred regarding how contractors were paid on projects per regulation and that they were required to correct the work that they did not perform correctly.

The Evidentiary was closed.

MR. NELSON MOVED TO FIND LICENSE #44326, MIKE MCCRAY ENTERPRISES INC., IN VIOLATION OF ALL CHARGES AS PRESENTED.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

A motion was presented and amended prior to the acceptance of the next motion.

MR. NELSON MOVED TO REVOKE LICENSE #44326, MIKE MCCRAY ENTERPRISES INC.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

#### O F N SYSTEM #41882 - DISCIPLINARY HEARING

The hearing was for possible violation of NRS 624.3015 (2), acting beyond scope of the license; NRS 624.3015 (3), contracting with an unlicensed

contractor; and NRS 624.3014 (2), misuse of license. The hearing notice was entered into the record as EXHIBIT 1.

The licensee, Frank Santos, Owner, and Greg Mincheff were sworn in and the stipulation was signed.

Mr. Mincheff stated that he, along with Ron Schuester, SIU Investigator, had had an occasion to investigate what appeared to be an unlicensed contractor, American Builders Corporation. It had proved to be so. In the course of the investigation, it had been revealed that O F N System's name and license number had appeared on numerous building permits pulled under the name of American Builders Corporation. Mr. Mincheff said he, Mr. Schuester, and Mr. Santos had discussed the matter. Mr. Santos had supplied them with a copy of a contract indicating that he was the general contractor for American Builders. In the conversation, Mr. Santos confirmed that he was not the contractor, he was only a consultant. He didn't and does not check, the jobs nor run them. The signatures on the permits appeared to belong to Bill More and Brent Morgan. Mr. More had advised Mr. Mincheff he was an employee of American Builders Corporation.

Mr. Santos confirmed that what Mr. Mincheff had testified was correct. When asked if he had an agreement with American Builders to use his license to pull permits, Mr. Santos answered absolutely not. He said he had a contract with George Sanford, Owner, as a consultant to check over the plans Mr. Sanford submitted to the building department to see if they were correct. He occasionally checked out the work to see if it was performed by licensed contractors. Basically, that was all he did or had done for Mr. Sanford. What he did had nothing to do with construction in any way. He did not pull permits and he did not know that his name was being used on the permits. He had never signed a permit. He was aware that Bill More was the construction superintendent for American Builders but he did not know who Brent Morgan was. Discussion then focused on the contract Mr. Santos had in his possession that was identical to page 8 of the hearing file. He said the original one he had signed had been signed with George Sanford. He said he was called a general contractor but he had been employed as a consultant.

Mr. Mincheff then detailed how his attention had been directed to Mr. Santos. His license name and license number appeared everywhere throughout Pahrump on the signage that had been placed on various properties.

Mr. Schuster told the Board that George Sanford of American Builders had been cited on 17 counts. He was currently awaiting criminal court action. The properties were owned by American Builders Corporation. The building department had taken over in October 1, 1999. All the homes were under the new requirement.

Mr. Zech asked if the matter could be held over in order to hear from American Builders Corporation. Mr. Johnson suggested that it may be best to subpoena American Builders and to continue the matter in order to listen to all of the testimony.

MR. ZECH MOVED TO CONTINUE THE MATTER, TO SUMMARILY SUSPEND LICENSE #41882, O F N SYSTEM, DUE TO HEALTH AND SAFETY ISSUES, AND TO SUBPOENA AMERICAN BUILDERS CORPORATION TO THE NEXT LAS VEGAS MEETING.

MR. LINDELL SECONDED THE MOTION.

Mr. Nelson asked that the building department be notified that the permits were null and void.

THE MOTION CARRIED.

#### V J SPRAY #23023 - DISCIPLINARY HEARING

Chuck Patchett, Carpet Cleaner, William Marjie, Owner, V J Spray, Bob Macke, Senior Investigator, and Barbara and Wayne Melton, Complainants; were sworn in. George Carter, Legal Counsel for Mr. Marjie, was identified.

The hearing was for possible violation of NRS 624.3015 (1), acting beyond the scope of the license; NRS 624.3017 (1), Substandard workmanship; NRS 624.3013 (5), as set forth in NAC 624.700(3a), failure to comply with regulations of the board, and failure to respond to the notice to correct. The notice of hearing was entered into the record as EXHIBIT 1, and the stipulation was signed.

Mr. Macke said he had occasion to go to the Melton home to investigate a complaint regarding the interior and exterior painting of their home. He found that the job had been done by V J Spray and that V J Spray held a Classification C3G, Acoustical Tile, license. Mr. Macke found that in the interior of the house there was a very large amount of overspray on lamps, TV's, computers, railings, and mirrors. Basically, the whole house had been oversprayed. The color of the paint on the overspray did not match the original color of the house, eliminating the condition as preexisting. The exterior showed there were spotters on the outside of the house on the concrete and the paint on the fascia was peeling.

Ms. Melton stated she had entered into a contract with V J Spray to paint the interior and exterior of her home for a contract price of \$2,545. Thereafter, she provided the board with photographs of the job V J Spray had performed. Mr. Melton had notified the licensee of their substandard workmanship. She said the licensee became sloppy and tried to hurry through the job to get it done when her husband noticed a handgun was missing. When asked about the overspray, Mr. Marjie had stated he would clean it up when they were through. Upon completion, he left, only returning once to review the things he had left paint on. Thereafter, Mr. Marjie sent three carpet cleaners out to clean the carpet but only one had cleaned it and that person did not move any of the furniture.

Mr. Macke stated he had sent V J Spray a notice to correct, but Mr. Marjie did not respond to the notice to correct or to the notice to meet with him and the homeowner. Mrs. Melton's photographs were then entered into the record as EXHIBIT 2.

Mr. Carter asked the Meltons questions unrelated to the complaint causing Mr. Zech to interrupt and point out that the Board's investigator had related the work was not to the standards of the industry and that he had issued a correction notice. Mr. Zech stated that when the Board directed a contractor to fix something, the contractor needed to follow through and fix it. Additionally, it was pointed out that the contractor did not have the proper license to perform the job.

Mr. Carter countered that Mr. Marjie had received notice to correct the items only one day before the hearing, saying it was rather short notice. He added that Mr. Marjie had paid \$600 to get the carpet cleaned.

When asked if he had gotten all of the overspray out of the carpet in the areas involved, Mr. Plachett, Carpet Cleaner, replied absolutely. He said he had moved everything. The Meltons disagreed. Mr. Plachett said he had been out 2 times and he and Mr. Melton had moved the slot machines, the headboard, and every stick of furniture. He said Ms. Melton had been satisfied. He later made another trip and redid a hall, bathroom, and part of their office area. All had been cleaned to the Meltons' satisfaction or Mr. Plachett said he would have gone back again. He had not heard from the Meltons since he had been there in October. At that time, no paint had been left in the carpet.

MR. LINDELL MOVED TO SUMMARILY SUSPEND LICENSE #23032, V J SPRAY, FOR WORKING OUT-OF-SCOPE. IF THE CARPET WAS VERIFIED AS HAVING BEEN CLEANED AND THE REST OF THE JOB PERFORMED CORRECTLY TO THE STANDARD OF THE TRADE IN GENERAL, TO BE VERIFIED BY THE BOARD'S INVESTIGATOR, THE SUSPENSION WOULD BE LIFTED AND THE LICENSEE WOULD RETURN FOR FURTHER ACTION.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

The following motion closed the meeting to the public.

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

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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).

The remaining applications were reviewed and discussion occurred on the following: #83, 84, 87, 91-92, 97, 102, 116, and 121-124. On the amended agenda: #6-9, 11, 13, 14, 18, 21, 23, 25, 27, 28, and 30 were discussed.

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

MR. CARSON 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 at 5:50 p.m.

Respectfully Submitted,

Betty WITs, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Kim Gregory, Chairman

Dennis Johnson, Vice-Chairman