

ORIGINAL

JIM GIBBONS
Governor

State Of Nevada



0000069919



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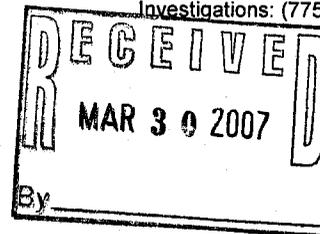
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MEMBERS
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William "Bruce" King
Randy Schaefer
Guy M. Wells

STATE CONTRACTORS BOARD

March 26, 2007



Honorable William A. Mundell, Commissioner
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Certified Mail: 7006 0100 0004 0405 6193

Re: James Rhodes, Rhodes Homes, Nevada State Contractors License No. 28530

Perkins Mountain Utility Co., Docket No. SW-20379A-05-0489

Dear Mr. Mundell:

Perkins Mountain Water Co., Docket No. W-20380A-05-0490

Enclosed you will find certified copies of the Board's Decision and Order dated July 6, 1999, along with the minutes pertaining to that Decision and Order.

Also enclosed are certified copies of the Board's Decision and Order dated November 26, 1999 along with the minutes pertaining to that Decision and Order.

If you have any questions, please call me at 702-486-1163.

Sincerely,

Daniel Hammack
Chief of Enforcement

/mm

Enclosures

Arizona Corporation Commission
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AZ CORP COMMISSION
DOCUMENT CONTROL

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NEVADA STATE CONTRACTORS' BOARD
4220 S. MARYLAND PARKWAY, SUITE 800-D
LAS VEGAS, NEVADA

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IN THE MATTER OF:

RHODES DESIGN AND DEVELOPMENT CORPORATION d/b/a RHODES HOMES,
License No. 28530,

LICENSEE.

) Investigative Case No.
L9802-101-W

) **DECISION AND ORDER**

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Pursuant to a Notice of Hearing the above matter came before the Nevada State Contractors Board ("Board") for hearing on October 20, 1998, November 17, 1998, and January 19, 1999, in Las Vegas, Nevada, and on February 9, 1999, in Reno, Nevada. The Board was represented by Dennis Haney, Esq., of the firm Haney, Woloson & Mullins. Randy Costner, Customer Service Manager, and Rob Johnson, Legal Counsel for Rhodes Design and Development Corporation d/b/a Rhodes Homes ("Licensee") were personally present on October 20, 1998, and represented the corporation. Mr. Johnson signed the stipulation waiving Formal Findings of Fact and Conclusions of Law. On February 9, 1999, James M. Rhodes, President of the corporation, was personally present along with his attorney, Owen Nitz, representing the Licensee.

Witnesses having been sworn, testimony heard, and evidence having been introduced, the matter was submitted to the Board for decision, and the Board, after due consideration, makes the following Findings of Fact and Conclusions of Law:

FACTUAL FINDINGS

1. Rhodes Design and Development Corporation d/b/a Rhodes Homes is a licensed contractor in the State of Nevada. On or about October 15, 1996, the Board issued Rhodes Design and Development Corporation d/b/a Rhodes Homes license number 28530, Class B-2

1 (General building, residential and small commercial), with an unlimited monetary license limit.
2 James Michael Rhodes is the President of the corporation.

3 2. The Licensee was properly served as provided by Nevada Revised Statutes
4 (NRS), Administrative Procedures Act, Chapter 233B, NRS Chapter 624, and Nevada
5 Administrative Code (NAC), Chapter 624, by Notice of Hearing, dated September 18, 1998, sent
6 certified mail to Licensee's current address of record as shown in the license files of the State
7 Contractors' Board. The return receipt was signed and dated September 21, 1998. An Amended
8 Notice of Hearing was Hand Delivered to Licensee on October 19, 1998. The Licensee was
9 notified of the continued hearing on November 17, 1998, by letter dated November 4, 1998, sent
10 certified mail; return receipt was dated November 6, 1998. The Licensee was notified of the
11 continued hearing on January 19, 1999, by letter dated January 6, 1999, sent certified mail;
12 return receipt was dated January 8, 1999.

13 3. A hearing was held on October 20, 1998, to determine whether there was
14 sufficient evidence to support the charges set forth in the above-said Notice of Hearing.

15 4. On or about January 7, 1997, Gregg A. Anderson and Joyce Taylor Anderson
16 purchased a Rhodes Homes residence for \$149,000.00, located at 7828 Sparrowgate Ave., Las
17 Vegas, Nevada 89131. (See Amended Notice of Hearing, pages 12-17.)

18 5. There were several defective items remaining to be corrected from the Andersons'
19 walk-through, which Licensee had failed to correct after repeated requests by the Andersons.

20 6. Mr. Anderson calculated that he and his wife had taken off work approximately
21 30 days for appointments in an effort to have repairs made to the residence. The Licensee had
22 scheduled but not kept the appointments.

23 7. On or about February 19, 1998, the Board received a formal complaint from the
24 Andersons stating substandard workmanship and failure to correct construction defects pursuant
25 to warranty, to wit:

- 26 a. Repair of drywall elevation over fireplace in living room.
27 b. Front door stoop has one (1) inch difference in width at one end.
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- c. Touch-up front door and entry closet door casing and jamb (paint and putty).
- d. Remove paint from wood base of handrail in living room.
- e. Paint touch up on exterior of home to match and blend.
- f. Seal and fill underside of weep screed at raised foundation where framing is exposed to the elements.
- g. Remove over-spray from switch plate in laundry room.
- h. Stub wall in kitchen nook has bow in top.
- i. Touch-up to side garage door (putty and paint).
- j. Finish drywall edge around interior of overhead garage door.
- k. Blend drywall patch to match existing surface.
- l. Second level handrail needs finish reapplied to repaired areas.
- m. Check for proper air flow to master bath register.
- n. Paint block wall top cap where previously repaired.
- o. Touch-up to various spots inside the home where paint did not match or blend.

8. At an Administrative Meeting held on June 12, 1998, the Board staff, and the Andersons, agreed to give the Licensee five full days of access to the home in order to make the repairs by June 29, 1998. (See Amended Notice of Hearing, page 32.)

9. As of the October 20, 1998 hearing, Rhodes Homes failed to correct the following workmanship defects:

- a. Repair of drywall elevation over fireplace in living room.
- b. Front door stoop has one (1) inch difference in width at one end.
- c. Remove paint from wood base of handrail in living room.
- d. Stub wall in kitchen nook has bow in top.
- e. Second level handrail needs finish reapplied to repaired areas.
- f. Improper air flow to master bath register.

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3. The credible evidence of record established a violation by the Licensee of the provisions of NRS 624.3017(1) "Substandard Workmanship."

4. By reason of the Factual Findings, the Licensee's conduct constitutes sufficient grounds for the imposition of discipline of Rhodes Homes' License as a contractor in the State of Nevada pursuant to NRS 624.300.

ORDER

Therefore, on motions duly made, seconded, and passed by the Board, **IT IS HEREBY ORDERED:**

1. The Board reconsidered their decision of January 19, 1999, and lifted the suspension of license number 28530, of Rhodes Design & Development Corporation d/b/a Rhodes Homes;

2. Licensee's license, number 28530, is on probation for a period of one year, with monthly reports regarding any pending complaints against Licensee be given to the Director of Investigations;

3. It is further ordered that Licensee is assessed the cost of investigation; and

4. Licensee is assessed an administrative fine of \$5,000.00.

5. The imposition of the discipline set forth in this Decision does not limit the powers of the Nevada State Contractors Board to impose further discipline upon the license of Rhodes Design & Development Corporation d/b/a Rhodes Homes on matters not yet presented to the Board.

Effective the 9th day of February, 1999.

DATED this 6TH day of July, 1999.

CERTIFICATION OF COPY

STATE OF NEVADA)
COUNTY OF CLARK) SS:
I, PATRICIA L. POTTER
Executive Officer/Deputy of the State Contractors Board in the State of Nevada, do hereby certify that this is a true, full and correct copy of the instrument now on record with the State Contractors Board. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Las Vegas, Nevada, this 26 day of MARCH, A.D., 2007.
By Patricia L. Potter
State of Nevada, State Contractors Board

Margi Grein
MARGI GREIN, EXECUTIVE OFFICER
NEVADA STATE CONTRACTORS BOARD

RHODES HOMES #28530 - DISCIPLINARY HEARING

Mr. Zech declared a conflict and the homeowners were asked if they had any objection to him chairing the hearing. No objection was raised. The hearing was for possible violation of NRS 624.301 (4), willful failure to comply with terms of contract or written warranty; and NRS 624.3017 (1), workmanship which is not commensurate with standards in the building or construction codes adopted by the city or county in which the work is performed. The hearing notice was entered into the record as EXHIBIT 1.

Gregg Anderson and wife Joyce Taylor Anderson, Homeowners; Randy Costner, Rhodes Homes; Steve Caputo, Rhodes Homes, Paul Sanucci, Rhodes Homes; Sherwood Gordon, Rhodes Homes, and Greg Mincheff, Investigator, were sworn in. Rob Johnson, Legal Counsel for Rhodes Homes was identified and the stipulation signed.

Under questioning by Mr. Knapp it was learned the Andersons had entered into a contract on January 7, 1997 to purchase a home from Rhodes Homes for \$149,000. A punch list had been prepared in a walk through on January 9, 1997 and submitted for correction. To date, six items still remained to be repaired. Mr. Anderson then detailed his many attempts to have the corrections made, citing the many times he or his wife had taken off work in order to be home for appointments arranged with the contractor. Often times the appointments had been missed as the contractor had failed to show up as scheduled. The Andersons calculated they had taken off work a minimum of 30 days to await repairs that never took place.

After the complaint had been filed with the State Contractors' Board, an administrative meeting had been held on June 10, 1998, whereby Mr. Costner of Rhodes Homes agreed to address all of the validated items of the complaint and to correct them by Monday, June 29, 1998. The items had never been corrected or repaired in accordance with the agreed upon schedule developed in that meeting. The Andersons were to be at their residence from 8:00 a.m. to 5:00 p.m. on both Monday and Friday until 5 full days had been provided to the contractor to accomplish the repairs. During that 2 1/2 week period there had been no correspondence from the contractor nor did anyone stop at the house or attempt to perform any of the corrections. On the fifth day, a new customer service person stopped by and asked the Andersons to show him what the problems were. The six items remaining to be corrected were: repair of drywall elevation over fireplace in living room; front door stoop has (1) inch difference in width at one end; remove paint from wood base of handrail in living room; stub wall in kitchen nook has bow in top; second level hand rail needs finish reapplied to repaired areas, and check for proper air flow to master bath register. Mr. Johnson then questioned Mr. Anderson regarding Rhodes Homes computer generated requests for service. He established the customer service requests had been signed off by Mrs. Anderson for various repairs. The Board asked that the signed customer service requests be copied. The hearing was recessed to make copies.

When the hearing reconvened Mr. Haney clarified there were only six items remaining which were at issue. After another short recess, Mr. Johnson stated regarding the open six items, Rhodes Homes was prepared to task those items and to get them completed to the satisfaction of the Board Investigator so as to satisfy Mr. Anderson's complaints in total, adding Rhodes Homes had recently repainted the entire downstairs of the Anderson Home. Mr. Anderson aired his frustration regarding the time and effort it had taken to have 15 validated items repaired from the time of purchase.

Mr. Lindell clarified to Mr. Anderson that "to the satisfaction of the Board Investigator" meant the repairs would have to be made to the standards of the industry. He then asked what type of time frame Rhodes Homes needed to repair the six items. Mr. Costner said with the exception of the last item he could repair everything in two days. He needed two consecutive days during the week, 8 o'clock to 5 o'clock, adding he wouldn't mind giving himself a third day for a little room. He was unable to do the work as laid out in the administrative hearing, Mondays and Fridays. He had tried and failed. He said he believed he had performed a CFM test but was willing to do it again and he would present the results to the investigator.

Mr. Anderson said he believed he or his wife could comply if it was by Board request but he and his wife had already lost 30 days of work, once again stating his frustration. Mr. Lindell confirmed that in order for the work to be done correctly, it would require three days. Three consecutive days. Mr. Johnson suggested the investigator set up a time suitable to the homeowners for resolve within the next 30 days.

Mr. Rob Johnson said if the commitment was for Rhodes to complete the six items by a date certain, those items would be accomplished. But if there were other issues the Board wanted to hear, there was further evidentiary matters that Rhodes Homes wanted to present. Mr. Haney then summarized what had been presented. Mr. Anderson stated he wanted to have the defects repaired but he also wanted a penalty imposed upon the contractor.

After a short recess, Mr. Knapp informed the Board, the Andersons were willing to accept the offer made by Rhodes Homes to repair the remaining six items and to develop a definitive three day schedule with the investigator to have the work accomplished. Ms. Anderson asked that when the workmen arrived they be informed of whatever work they were to accomplish beforehand and to not ask her for direction. The investigator was to coordinate all activity.

The service requests were then entered into the record as EXHIBIT 2 and dialogue followed regarding whether to proceed with the hearing. Mr. Lindell stated he did not believe the charge of willful failure to complete the items was a just charge. The licensee had made attempts to correct the problem but had not completed them in a satisfactory manner. The second violation, substandard workmanship, was a viable charge and Mr. Lindell believed that if the evidentiary was closed, the Board was in a position to make a motion on that charge.

Utilizing the service requests, Mr. Rob Johnson questioned the Andersons regarding the items which they had accepted and signed off on. Mrs. Anderson stated she did not read them, she only signed them. Mr. Anderson maintained the customer service representative had stuck them in front of his wife's face and told her to sign them. Further questions and answers following along the same vein ensued. Thereafter, Mr. Mincheff stated he had validated the six items under discussion.

Mr. Lindell stated he accepted that Rhodes Homes had made a good faith effort to correct everything on all of the lists, but there was still workmanship standards that needed to be met on the remaining six items. Mr. Carson said he was not sure if an adequate effort was made. Mr. Costner said he had 800 homes under warranty and he had never been in front of the Board before. He was prepared to repair the six items. He offered to write the Andersons a check if they wanted to accomplish the work themselves. He only wanted closure to the matter.

The evidentiary was closed. Mr. Lindell asked Mr. Costner if three weeks was enough time to perform the corrections. He said yes as long as he had three full days. The Andersons also agreed.

MR. CARSON MOVED TO DISMISS THE CHARGE OF NRS 624.301 (4).

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED. (MR. ZECH ABSTAINED)

MR. CARSON MOVED TO FIND LICENSE RHODES HOMES IN VIOLATION OF NRS 624.3017.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED. (MR. ZECH ABSTAINED)

The ensuing motion was made, discussed and amended as follows:

MR. LINDELL MOVED TO ISSUE A CORRECTIVE ORDER TO RHODES HOMES TO HAVE ITEMS A, B, D, H, L AND M LISTED ON PAGE 2 AND 3 OF THE HEARING NOTICE REPAIRED WITHIN THREE WEEKS TO THE SATISFACTION OF THE BOARD INVESTIGATOR. THE HOME WAS TO BE MADE AVAILABLE FOR THREE WORKING DAYS WITHIN THE THREE WEEK PERIOD. THE SCHEDULE WAS TO BE COORDINATED BY THE INVESTIGATOR AND FINALIZED BY THE END OF THE WEEK. IF THE WORK WAS NOT COMPLETED WITHIN THAT THREE WEEK TIME PERIOD, THE MATTER WAS TO BE REFERRED BACK TO THE BOARD FOR FURTHER ACTION WHICH INCLUDED THE SUSPENSION OF THE LICENSE FOR SIX MONTHS AND THE

IMPOSITION OF A \$5,000 FINE.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED. (MR. ZECH ABSTAINED)

MR. LINDELL MOVED TO FINE RHODES HOMES FOR INVESTIGATIVE COSTS NOT TO EXCEED \$1,800, TO BE PAID WITHIN 30 DAYS AFTER FINAL ACTION HAD BEEN TAKEN OR THE LICENSE WOULD BE SUSPENDED FOR 60 DAYS.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED. (MR. ZECH ABSTAINED)

CERTIFICATION OF COPY

STATE OF NEVADA) SS:
 COUNTY OF CLARK) *PATRICIA L. POTTER*
 I, *PATRICIA L. POTTER*
 Executive Officer/Deputy of the State Contractors Board in the
 State of Nevada, do hereby certify that this is a true, full and
 correct copy of the instrument now on record with the State
 Contractors Board. IN WITNESS WHEREOF, I have hereunto set
 my hand and affixed the seal of my office in Las Vegas, Nevada,
 this 26 day of March, A.D., 2007.
 By *Patricia L. Potter*
 State of Nevada, State Contractors Board

RHODES HOMES #28530 - DISCIPLINARY HEARING (Continued from October 20, 1998)

The homeowner, Mr. Anderson, was not present for the hearing. He had provided the board with a statement requesting a continuance and he asked that his letter be entered into the record. At this point Mr. Zech abstained. It was then explained the evidentiary had been closed in the last meeting.

Randy Costner, Rhodes Homes, was present as well as Greg Mincheff, Investigator. Mr. Mincheff stated that on November 2, 1998, Rhodes Homes and Mr. Mincheff had gone to Mr. Anderson's home to review the six items which were left. Corrective work had been started that day but Mr. Mincheff said he had not since been advised of any other days Mr. Anderson let Rhodes Homes perform further work and no communication had been received from Mr. Anderson to relay to Rhodes Homes. Mr. Mincheff said he did not know where the items stood regarding completion nor did he know how much time Rhodes Homes had been allowed to work in the home. The only day he knew for certain work that work had been performed was on Monday, November 2 and that was based upon Mr. Anderson's communication with the board.

Mr. Costner said he concurred with Mr. Mincheff. He had been allowed one day in the home. Several people had worked there for eight hours. Some of the work which remained to be done could not be performed on Saturday. He said he needed the other two days which had been agreed upon and he needed them during normal work hours. He said he was ready to do the work and had been all along. Addressing the continuance which also requested reimbursement of travel expenses, Mr. Costner said he was ready and willing to do the work but this was the problem he had had from the beginning with Mr. Anderson. He said he could not do the work if no one let him in.

When questioned about the three days that had been offered in Mr. Anderson's statement, Mr. Mincheff said the only time Mr. Anderson had offered to him was Saturday, October 31 and Monday, November 2 and this only four days before the Saturday referenced. He said Mr. Costner needed to have enough time to schedule crews.

MR. CARSON MOVED TO CONTINUE THE MATTER FOR ANOTHER 30 DAYS. THE BOARD INVESTIGATOR WAS TO SCHEDULE 2 CONCURRENT DAYS DURING THE NORMAL WORK WEEK AND DURING NORMAL WORK HOURS, AT LEAST 7 DAYS IN ADVANCE AND AGREEABLE TO BOTH THE HOMEOWNER AND RHODES HOMES.

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)

CERTIFICATION OF COPY

STATE OF NEVADA) COUNTY OF CLARK) SS: Patricia L. Potter
I, Patricia L. Potter
Executive Officer/Deputy of the State Contractors Board in the State of Nevada, do hereby certify that this is a true, full and correct copy of the instrument now on record with the State Contractors Board. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Las Vegas, Nevada, this 10 day of March, A.D., 2007.
By Patricia L. Potter
State of Nevada, State Contractors Board

RHODES DESIGN AND DEVELOPMENT CORP. dba RHODES HOMES #28530 –
RECONSIDERATION FOR REHEARING AND REQUEST TO PRESENT ADDITIONAL
EVIDENCE

The following witnesses were sworn in: James Michael Rhodes, President; Robert M. Beville; Warren Kiggins, President; and Tom Knapp; Director of Investigations, Las Vegas.

Mr. Zech abstained due to conflict of interest.

Mr. Haney stated Rhodes Homes had requested the opportunity to present additional evidence to the Board after the Board had taken action but did not formalize it. That request had been granted resulting in today's rehearing to allow Rhodes Homes to present additional evidence. He explained that in the first hearing held on October 20, 1998, the then legal counsel, Rob Johnson, had signed a stipulation waiving written findings of fact and conclusions of law, which had concluded through the last hearing on January 20, 1999.

Owen Nitz, Legal Counsel for Rhodes Homes was identified and waived the stipulation, indicating the presence of a court reporter was adequate.

Mr. Haney then recapped the previous proceedings and said he had since spoken with Mr. Nitz numerous times. It was Mr. Nitz's desire that his client resolve not only the Anderson matter but all outstanding matters before the board, adopt a procedure eliminating future complaint issues with the board, and to allow him to explain the current position of Rhodes Homes.

Mr. Nitz stated there was a fax from Mr. Anderson, Complainant, denoting he was withdrawing his complaint. There had been one item left, it had been resolved. Mr. Anderson's expenses had been taken care of through a settlement agreement. Randy Costner, who had appeared at all hearings, and who had been in charge of Customer Service and Warranty department, had been terminated. His reports to Mr. Rhodes had always indicated there were no problems. Mr. Rhodes had not been aware that the first hearing, which had been held on October 20th, had been conducted or that Mr. Anderson had filed a complaint. Mr. Rhodes found out only when Mr. Costner reported back on January 19th and told him that his license had been suspended. Immediately thereafter, Mr. Rhodes spoke with Mr. Knapp and learned about all of the complaints. Subsequently, Mr. Rhodes and Mr. Nitz spoke with Mr. Knapp and Mr. Nitz asked Mr. Knapp to prepare him a list of all the complaints. From this a matrix was prepared whereby Rhodes could see where each complaint stood every two days. As of the day prior to today's hearing, 11 complaints had been signed off. Five remained but would be completed within two weeks.

In addition, Mr. Rhodes had hired a new president of Rhodes Homes, Warren Kiggins. He had previously been with Beazer Homes. Mr. Kiggins had prepared a new warranty policy manual which would be implemented February 10, 1999. On that day a new customer service warranty department head, formerly with Lewis Homes, would be starting with the company. A new construction manager had also been hired because the construction department and the customer service department had been separated. Both departments would now answer, separately, to Mr. Kiggins. Mr. Anderson's fax was then entered into the record as EXHIBIT 2.

A Board discussion was entered into wherein Mr. Nitz agreed to the reimbursement of the board's investigative costs but he asked that no fine be imposed; and several motions were formed and discussed. Ultimately, the following motion was accepted and acted upon.

MR. LINDELL MOVED TO LIFT THE SUSPENSION OF LICENSE #28530; TO PLACE THE LICENSE ON PROBATION FOR ONE YEAR, REQUIRING MONTHLY REPORTS BE GIVEN TO THE DIRECTOR OF INVESTIGATIONS, LAS VEGAS; THAT BOARD COSTS BE REIMBURSED TO THE BOARD; AND THE IMPOSITION OF A \$5,000 FINE FOR VIOLATION OF NRS 624.3017 AND FAILURE TO COMPLETE THE CORRECTIVE WORK ORDER IN A TIMELY

MANNER, FINE TO BE PAID WITHIN 15 DAYS.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CERTIFICATION OF COPY

STATE OF NEVADA) SS:
COUNTY OF CLARK)

I, Patricia L. Potter
Executive Officer/Deputy of the State Contractors Board in the
State of Nevada, do hereby certify that this is a true, full and
correct copy of the instrument now on record with the State
Contractors Board. IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of my office in Las Vegas, Nevada,
this 26 day of MARCH, A.D., 2001.

By Patricia L. Potter
State of Nevada, State Contractors Board

RHODES DESIGN & DEVELOPMENT CORP. DBA RHODES HOMES #28530 (Continued from 10/20/98 & 11/17/98)

For the record, Mr. Zech declared he had a conflict in the issue. He would chair the meeting for the purpose of a quorum but he would not vote on the matter. There was no objection.

Gregg Anderson, Complainant; and Randy Costner, Rhodes Homes, were present for the hearing. Greg Mincheff, Board Investigator, related that as of December 16, 1998 everything had been completed with the exception of some railings, banisters, and spindles which had been sanded but not stained and sealed. He described what remained to be accomplished, adding that Rhodes Homes had been provided with the three days it had requested to complete the work. It was his understanding that the stain to match the rest of the stain was not available. But there had been no letter or phone call to the board to notify anyone of that fact.

Mr. Costner stated it was his understanding that Mr. Mincheff's information regarding the stain was correct. On the last day Rhodes Homes had been to the Anderson residence, they did not have the proper stain, in the right color. No one was now living in the home, therefore, Rhodes Homes had an access problem. He said Rhodes Homes was still prepared to go into the house and stain it. It would take them one hour. The work was not done and they could not get into the home to finish it. Mr. Anderson explained they had since moved. More discussion followed.

MR. NELSON MOVED TO SUSPEND LICENSE #28530, RHODES HOMES, FOR SIX MONTHS AND TO IMPOSE A \$5,000 FINE. INVESTIGATIVE COSTS NOT TO EXCEED \$1,800, WERE TO BE PAID WITHIN 30 DAYS AFTER FINAL ACTION HAD BEEN TAKEN OR THE LICENSE WOULD BE SUSPENDED FOR AN ADDITIONAL 60 DAYS.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED. (MR. ZECH ABSTAINED)

CERTIFICATION OF COPY

STATE OF NEVADA)
COUNTY OF CLARK) SS:
I, Patricia L. Pitter
Executive Officer/Deputy of the State Contractors Board in the
State of Nevada, do hereby certify that this is a true, full and
correct copy of the instrument now on record with the State
Contractors Board. IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of my office in Las Vegas, Nevada,
this 26 day of March, A.D., 2099.
By Patricia L. Pitter
State of Nevada, State Contractors Board

RHODES HOMES #28530 – DISCIPLINARY HEARING

Don Purdue, Director of Warranty Services, Rhodes Homes; James Rhodes, President, Rhodes Homes; Robert Deville, Chief Financial Officer, Rhodes Homes; and Rick Bertuzzi, Director of Investigations, were sworn in. Owen Nitz, Legal Counsel, Rhodes Homes was also present.

The notice of hearing, dated September 15, 1999, consisting of pages 1-10, had been hand delivered on September 15, 1999 by Mike Perko, as evidenced by Affidavit of Hand Delivery.

An amended notice of hearing, dated October 13, 1999, had been sent certified mail. The return receipt was dated October 14, 1999.

A second amended notice of hearing, dated October 21, 1999, had been sent certified mail. The return receipt was dated October 25, 1999.

The hearing was for possible violation of NRS 624.3012 (2), failure to pay for materials or services. The hearing notice was entered into the record as EXHIBIT 1.

Ms. Grein stated that a letter, dated October 4, 1999, had been received from the complainant, Dow Industries. The letter, prepared by Michael Decker, indicated he had been paid in full, and it was his desire to withdraw the complaint against Rhodes Homes. The letter was entered into the record as EXHIBIT 2.

Ms. Sheltra raised the issue of the financial statement. Mr. Nitz requested that the hearing to be closed.

Prior to closing the hearing to the public, Mr. Taylor introduced Rhodes Homes' Request for Continuance into the record as EXHIBIT 3.

The following motion closed the meeting to the public.

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

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

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

Mr. Taylor entered the following two documents into the record marked confidential: EXHIBIT A, Rhodes Homes' Combined Financial Statement for the Period Ending 6/30/99; EXHIBIT B, Rhodes Design and Development Combined Financial Statement for the Period Ending 12/31/99 Independent Auditors' Report, prepared by Deloitte Touche.

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

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Nitz told the Board that page 10 of the hearing notice was the letter from Rhodes Homes acknowledging the amount owed to Dow Industries. However, Mr. Nitz pointed out that some items were in dispute and were certainly open to question, but not enough to fight over. Thereafter, both parties agreed to dismiss the complaint, with prejudice, and to pay the full amount. The lien had been released from the land and the action dismissed.

Mr. Nitz then asked the Board to dismiss the complaint at this time.

MR. ZECH MOVED TO DISMISS THE CHARGE OF NRS 624.3012 (2).

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)

MR. CARSON MOVED TO RECOVER THE INVESTIGATIVE COST OF \$1,364.22, TO BE PAID WITHIN 30 DAYS OR THE LICENSE WOULD AUTOMATICALLY SUSPEND.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

CERTIFICATION OF COPY

STATE OF NEVADA), SS:
COUNTY OF CLARK)

I, PATRICIA L. PATTEN
Executive Officer/Deputy of the State Contractors Board in the
State of Nevada, do hereby certify that this is a true, full and
correct copy of the instrument now on record with the State
Contractors Board. IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of my office in Las Vegas, Nevada,
this 26 day of March, A.D., 2002.

By Patricia L. Patten
State of Nevada, State Contractors Board