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TRANSCRIPT OF A MEETING
OF THE
STATE OF NEVADA
PRIVATE INVESTIGATOR'S LICENSING BOARD

Thursday, September 1, 2016
9:00 a.m.

Northern Nevada Location:
Office of the Attorney General
100 North Carson Street
Mock Court Room
Carson City, Nevada

Southern Nevada Location (Videoconferenced):
Grant Sawyer State Office Building
555 East Washington Avenue
Attorney General Conference Room, Suite 4500
Las Vegas, Nevada

REPORTED BY: SHANNON L. TAYLOR, CCR, CSR, RMR
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A P P E A R A N C E S

Board Members Present:

Mark Zane, Chairman (Las Vegas)
Jim Colbert (absent)
Raymond Flynn (Las Vegas)
Charlotte Collins (Las Vegas)
Jim Nadeau (Carson City)

Also: Kevin Ingram (Las Vegas)
Executive Director

Raelene K. Palmer (Las Vegas)
Deputy Attorney General
Attorney for the Board

Sarah Bradley (Carson City)
Deputy Attorney General
Board Counsel

Lori Irizarry (Las Vegas)
Investigator

Vincent Saladino (Las Vegas)
Investigator

Jason Woodruff (Carson City)
Investigator

Mary Klemme (Carson City)
Investigative Assistant

Other Participants:

Richard G. Campbell, Jr., Esq. (Carson City)
and
Sallie B. Armstrong, Esq. (Carson City)
Downey Brand LLP
100 W. Liberty St., Suite 900
Reno, Nevada 89501

Mahmoud Hendi (Carson City)
Sarah Haslip (Carson City)
Amanda Hegdahl (Carson City)
Charles Magri (Carson City)

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1 CARSON CITY, NEVADA, THURSDAY, SEPTEMBER 1, 2016,

2 9:09 A.M.

3 -oOo-

4 BOARD CHAIRMAN ZANE: Okay. Let's call the
5 meeting to order.

6 This is the September 1 meeting of the Private
7 Investigator's Licensing Board.

8 Can we have a roll call, please?

9 MR. INGRAM: Yes, sir. Chairman Zane?

10 BOARD CHAIRMAN ZANE: Here.

11 MR. INGRAM: Board Member Collins?

12 BOARD MEMBER COLLINS: Here.

13 MR. INGRAM: Board Member Flynn?

14 BOARD MEMBER FLYNN: Here.

15 MR. INGRAM: Board Member Nadeau?

16 BOARD MEMBER NADEAU: Here.

17 MR. INGRAM: And for the record, Board Member
18 Colbert will not be with us this morning. He will be --
19 will try to make it in a little bit later.

20 BOARD CHAIRMAN ZANE: Thank you.

21 At the beginning and at the end of the meeting,
22 we allow for public comment. Is there any public in the
23 audience that wishes to comment today?

24 UNIDENTIFIED MAN (Las Vegas): At the end.

25 BOARD CHAIRMAN ZANE: At the end? Fine. Thank

1 you.

2 Anybody in the north who would like to make
3 public comment today?

4 BOARD MEMBER NADEAU: Doesn't look like it,
5 Mr. Chairman.

6 BOARD CHAIRMAN ZANE: Thank you, sir.

7 Okay. We'll move forward.

8 I'll probably get a no here, since this might
9 apply more so today than other days. In addition to the
10 public comment taken at the beginning and the end of the
11 meeting, public comment may be accepted after each
12 agenda item prior to the Board taking action. However,
13 prior to the commencement and conclusion of a contested
14 case or a quasi-judicial proceeding that may affect the
15 due process rights of an individual, the Board will not
16 consider public comment pursuant to NRS 233B.126.

17 We'll go to item number 3 on the agenda, and
18 that's citation appeal, ESI Security Services, Mahmoud
19 Hendi, owner and qualifying agent, license number 700,
20 is appealing citation number I-071-16, for possible
21 action.

22 BOARD MEMBER NADEAU: Mr. Chair?

23 BOARD CHAIRMAN ZANE: Is the applicant there?

24 MS. BRADLEY: Yes.

25 BOARD MEMBER NADEAU: Yes, he is.

1 MR. CAMPBELL: Yes.

2 BOARD MEMBER NADEAU: Mr. Chair, may I?

3 BOARD CHAIRMAN ZANE: Please, sir.

4 BOARD MEMBER NADEAU: Mr. Chair, on advice of
5 counsel, and NRS Chapter 281A requires me to make a
6 disclosure.

7 In March of 2016, I spoke to Mr. Hendi at a
8 social function. During this conversation, Mr. Hendi
9 mentioned the ongoing matter, but there was not any
10 in-depth discussion of the matter.

11 Though we engaged in that conversation, I do
12 not believe that I'm precluded from deciding this matter
13 in an unbiased manner and will not abstain from voting
14 on this matter.

15 Thank you, Mr. Chair.

16 BOARD CHAIRMAN ZANE: Thank you.

17 All right. Is Mr. Hendi here?

18 MS. BRADLEY: Yes, he is.

19 MR. CAMPBELL: Yes, we are. For the record,
20 Chairman, my name is Rick Campbell of the law firm of
21 Downey Brand. I'm representing ESI Security and its
22 licensee, Mr. Hendi. With me today, my co-counsel, is
23 Sallie Armstrong, also of Downey Brand. And Mr. Hendi
24 is appearing here.

25 BOARD CHAIRMAN ZANE: Thank you, sir.

1 All right. We might make a note that anybody
2 that intends to give testimony in this regard will need
3 to be sworn prior to that testimony being received.

4 So at this time, we'd ask that anybody who is
5 giving testimony stand, raise your right hand, and take
6 an oath.

7 Do you swear to tell the truth, the whole
8 truth, and nothing but the truth, so help you god?

9 (Potential witnesses were sworn.)

10 BOARD CHAIRMAN ZANE: Thank you.

11 MS. PALMER: Mr. Chairman?

12 BOARD CHAIRMAN ZANE: Yes.

13 MS. PALMER: Could the record reflect who it is
14 that just swore under oath, please.

15 BOARD CHAIRMAN ZANE: If you could please
16 identify yourself for the record.

17 MS. BRADLEY: Okay.

18 BOARD CHAIRMAN ZANE: By name.

19 MS. BRADLEY: There's three.

20 MS. HASLIP: Sarah Haslip.

21 MS. BRADLEY: Sarah Haslip?

22 MS. HASLIP: Yes.

23 MS. BRADLEY: Okay. How's Haslip spelled?

24 MS. HASLIP: H-A-S-L-I-P.

25 MS. HEGDAHL: Amanda Hegdahl.

1 MS. BRADLEY: I'm sorry?

2 MS. HEGDAHL: Amanda Hegdahl.

3 MS. BRADLEY: Amanda Hegdahl. And how do you
4 spell your last name?

5 MS. HEGDAHL: H-E-G-D-A-H-L.

6 MS. BRADLEY: Okay. Thank you.

7 MR. MAGRI: Charles Magri, M-A-G-R-I.

8 MS. BRADLEY: Charles Magri, if you didn't hear
9 in Vegas. Okay. And then Mr. Hendi also was sworn in.
10 And, I think, that's all for up here.

11 BOARD CHAIRMAN ZANE: Okay. And down in Vegas?

12 MS. IRIZARRY: Lori Irizarry.

13 BOARD CHAIRMAN ZANE: And Kevin Ingram,
14 I-N-G-R-A-M.

15 BOARD CHAIRMAN ZANE: Okay. I believe, that's
16 all from Las Vegas.

17 Okay. How are we going to proceed?

18 MR. CAMPBELL: I have a preliminary matter,
19 Mr. Chairman. I'm a little surprised I haven't heard a
20 disclosure from you or that you're going to recuse
21 yourself in this case. I think, there's a conflict of
22 interest that requires recusal.

23 It's my understanding that you are a licensed
24 private patrol officer in this state and, as such, would
25 be -- would have a pecuniary interest adverse to

1 Mr. Hendi, and that the ultimate proceeding here, both
2 the proceedings today, could, in fact, result in the
3 revocation of his license and the opening up of a market
4 of millions of dollars of revenue.

5 There's a case directly on point. I've got a
6 copy for Board counsel, if you'd like to see it. It's
7 called Stivers vs. Pierce. It's a Ninth Circuit action
8 whereby the Ninth Circuit Court of Appeals held that
9 the -- this is a case in -- an applicant in front of the
10 Nevada PLIB, where a competitor who was a Board member
11 did not recuse himself. The Ninth Circuit held that
12 when a member of a regulatory body has a direct and
13 substantial pecuniary interest in the outcome of a case
14 before it, that participation is a per se violation of
15 the due process right and will render a proceeding
16 objectionable.

17 I think, that's the case here in that I
18 understand your Zane Investigations is a licensed
19 private patrol officer in direct conflict with Mr. Hendi
20 and, also, that your Secretary of State filing shows
21 that you have an office at Greg Street in Sparks,
22 Nevada, Mr. Hendi's service territory.

23 I'd also note for the record that, in that you
24 voted against a stipulation last March, you've also
25 evidenced a bias in the case, which is another ground

1 for recusal.

2 MS. BRADLEY: Well --

3 BOARD CHAIRMAN ZANE: Thank you. I'm familiar
4 with the Stivers decision from the Ninth Circuit. And I
5 don't believe I have a conflict. And I'll be continuing
6 on. Thank you.

7 MR. CAMPBELL: Okay. I have a couple other
8 preliminary matters. I have one witness availability
9 issue. Mr. Smith, who is going to be called in the
10 complaint portion of the case, is unavailable after 1:30
11 today. He has another court matter that he has to
12 appear for.

13 So if I could get an accommodation either by
14 calling him out of order or switching up the order of
15 the two hearings, so that he can be called in my case in
16 chief in the complaint hearing.

17 MS. BRADLEY: Complaint hearing. Okay. And it
18 was a witness that's not available? I'm sorry.

19 MR. CAMPBELL: He's available this morning
20 until, well, 1:30.

21 MS. BRADLEY: Okay.

22 MR. CAMPBELL: He's going to be here around
23 11:00. From 11:00 to 1:30, he's available. Other than
24 that, he has another court appearance that he has in
25 Reno.

1 MS. BRADLEY: Okay.

2 MR. CAMPBELL: So I'd ask for some kind of
3 accommodation on that.

4 MS. BRADLEY: And he would be for the complaint
5 case?

6 MR. CAMPBELL: For the complaint case.

7 And then, finally, as a preliminary matter, I'd
8 like to invoke the rule of exclusion in both of these
9 cases in that any witness that's going to testify, with
10 the exception of, you know, a representative of either
11 party, not be present during the testimony of other
12 witnesses.

13 MS. PALMER: I have no objection to that.

14 (To Mr. Ingram) You're a party.

15 BOARD CHAIRMAN ZANE: Board?

16 BOARD MEMBER FLYNN: No.

17 BOARD MEMBER COLLINS: No, I'm good.

18 MS. BRADLEY: Mr. Chair?

19 BOARD CHAIRMAN ZANE: Okay. We'll approve the
20 condition of exclusion.

21 MS. BRADLEY: Mr. Chair, just going back to --
22 Mr. Campbell?

23 MR. CAMPBELL: Yes.

24 MS. BRADLEY: -- Mr. Campbell's request that
25 you recuse, you said that you're aware of the case and

1 you believe that you can decide it. I'm hoping you can
2 put something more on the record as to why your license
3 status does not bias you.

4 BOARD CHAIRMAN ZANE: I can. I wasn't prepared
5 to, but. I don't believe that I have ever competitively
6 challenged Mr. Hendi or his company in any work or bid
7 specification. If he is aware that I competed against
8 him at any point in the history of my company or his,
9 I'd be happy to hear from him.

10 My security activity is at a minimal, at best.
11 The basic premise, though, is I don't believe that the
12 Stivers decision -- I understand what --

13 (The audio connection was lost from Las Vegas.)

14 MR. INGRAM: Okay. We're back.

15 BOARD MEMBER ZANE: We're back? Are we back?

16 MS. BRADLEY: Yes. You said "I don't believe
17 the Stivers decision"; then we lost you.

18 BOARD CHAIRMAN ZANE: Okay. I don't believe
19 that the Stivers decision is on point here. Because if
20 that were to be the case, it would be -- it could be
21 taken to the ridiculous, inasmuch as everyone that comes
22 before the Board is a licensee that probably would have
23 a licensee sitting in judgment of them.

24 And the Legislature created the Board with
25 three positions staffed by licensees. And that, in and

1 of itself, I don't believe would derive a conflict of
2 interest, just because we have the same license.

3 MS. BRADLEY: Okay.

4 BOARD CHAIRMAN ZANE: So unless there's some
5 offer of proof that I have competed in some way
6 extraordinarily against Mr. Hendi or his company, or if
7 they can offer me something other than the fact that I
8 just have a license as a private patrolman --

9 MS. BRADLEY: Yeah.

10 BOARD CHAIRMAN ZANE: -- I don't believe that I
11 have a conflict.

12 MS. BRADLEY: Okay. And then I want to ask you
13 I couple of questions, though, about NRS 281A, because
14 that's the statute in -- you know, that the Nevada
15 Legislature has made regarding conflicts. And you have
16 to recuse if you have a family relationship or something
17 close like that before you.

18 So just for the record, you're not related to
19 Mr. Hendi in any way or any -- you don't have a
20 relationship?

21 BOARD CHAIRMAN ZANE: Not that I'm aware of.

22 MS. BRADLEY: Okay. And then, also, you don't
23 have a financial -- and this is, I think, what you're
24 alluding to. The other one is a financial interest.
25 But usually that's like a contract or some benefit

1 you'll actually receive if you vote in favor.

2 So you're not aware of a financial benefit
3 you'll receive if you -- you know, regarding how you
4 vote?

5 BOARD CHAIRMAN ZANE: None whatsoever.

6 MS. BRADLEY: Okay. I just want to make sure
7 that's on the record. And, I think, we can proceed,
8 then.

9 MR. CAMPBELL: Well, I'd like to make one more
10 offer of proof, if I could, so we have a clean record.

11 MS. BRADLEY: Okay.

12 MR. CAMPBELL: The Stivers case has not stated
13 that it has to be a direct pecuniary interest. It's a
14 pecuniary interest. In this case, as I mentioned
15 before, these cases could ultimately result in Mr. Hendi
16 losing his license, which, in that case, would open up
17 the market to multimillion dollars of revenue for other
18 security companies, private patrol in particular,
19 because that's what Mr. Hendi's licensed, and that's
20 what Zane Investigations, Inc. has a license for.

21 So that is a -- that is a pecuniary interest
22 that would, I believe, under the Stivers case, would
23 have a per se exclusion and that it's going to taint
24 this proceeding and make it objectionable.

25 Secondly, I think, Mr. Zane has cast the lone,

1 sole vote against the stipulation that's going to be an
2 issue here in both these two hearings, has already
3 evidenced a bias.

4 MS. PALMER: May I respond for a moment?

5 MS. BRADLEY: Sure.

6 MS. PALMER: I think, the fact that he cast a
7 no vote doesn't really indicate which way he -- whether
8 he favors ESI or he favors the state. We don't
9 really -- he didn't explain why he cast a no vote in the
10 agreement. So I think that there are conclusions being
11 made for which there is no foundation.

12 MR. CAMPBELL: And one more offer of proof. A
13 no vote in that stipulation would have meant that the
14 stipulation would not have been accepted, and there
15 would have been a disciplinary proceeding going forward
16 to revoke Mr. Hendi's license.

17 MS. PALMER: My response would be that would be
18 a disciplinary hearing in which Mr. Chairman Zane may
19 have found in favor of Mr. Hendi, and there would not
20 only be not an agreement that he would have certain
21 conditions that he would have to abide by, including a
22 stipulation of the revocation of his license which is
23 stayed, but also potentially no disciplinary action.

24 So this is pure speculation on counsel's part.

25 MS. BRADLEY: Okay. So, Mr. Zane, based on, I

1 think, what Mr. Campbell's just said, regarding recusal,
2 I don't know if you have anything else you want to say.

3 And then, Ms. Palmer, I didn't hear you address
4 the Stivers case. Do you have a thought about that?

5 MS. PALMER: I don't have the Stivers case in
6 front of me. This wasn't brought up before me. I'm not
7 prepared to discuss it at all. If you'd like to take a
8 quick break, and I'll go read the case, I'd be happy to
9 make some comments.

10 MR. CAMPBELL: I'm a little confused. I
11 thought you were representing the Board here.

12 MS. BRADLEY: I'm the Board counsel.

13 MR. CAMPBELL: Yeah.

14 MS. BRADLEY: You're making the motion. Or I
15 mean that's the way I'm treating it. You made a motion
16 that you think Mr. Zane should recuse. Mr. Zane said he
17 doesn't believe he should. I'm asking Ms. Palmer to
18 address your argument.

19 MR. CAMPBELL: Okay.

20 MS. BRADLEY: I'm Board counsel, meaning I'm
21 neutral. I'm kind of like helping them, because they
22 don't always have legal background, and they're not sure
23 procedural things.

24 MR. CAMPBELL: Sure.

25 MS. BRADLEY: So I don't make any decisions.

1 Mr. Zane does, and/or the Board.

2 And so, I guess, my thought was, since you've
3 made that argument, and then I'm taking it as an oral
4 motion that he should be precluded from deciding, I feel
5 like Ms. Palmer should get a chance to address that.

6 And so perhaps we should take a break and so
7 that you can read that case.

8 Mr. Zane --

9 MS. PALMER: Do you have the case citation?

10 MS. BRADLEY: I --

11 MR. CAMPBELL: Yes. It's 71 F.3d 752, Ninth
12 Circuit Court of Appeals case, December 1995.

13 MS. BRADLEY: Oh, I have 71 F.3d 732.

14 MR. CAMPBELL: I'm sorry. 732, yeah.

15 MS. BRADLEY: Yeah.

16 MS. PALMER: 732?

17 MS. BRADLEY: Yeah, 732.

18 MS. PALMER: I would just like to add for the
19 record that I thought that we had, between counselors,
20 that we had discussed the different issues and what we
21 would anticipate would be coming up at this hearing.
22 And this particular objection to the chairman sitting in
23 this matter has never been addressed.

24 So I really feel like I've been caught unfairly
25 by surprise. I can't imagine that this isn't something

1 that Mr. Campbell knew about in advance. And I would
2 just like that on the record.

3 MR. CAMPBELL: Yes. I didn't raise it before
4 because I assumed the chairman would have recused
5 himself.

6 BOARD CHAIRMAN ZANE: Do you want to take a
7 recess? Can we take 10 minutes, please?

8 MS. BRADLEY: Okay.

9 * * * * *

10 (A recess was taken, 9:26 to 9:47 a.m.)

11 * * * * *

12 BOARD CHAIRMAN ZANE: All right. Back on the
13 record.

14 MS. PALMER: Yes. I would just like to note
15 for the record that this case is 23 pages long. So it's
16 very difficult to digest and, you know, Shepardize and
17 run everything and make sure that there's nothing else
18 that's important out there.

19 With that being said, I think that this case is
20 completely different than the facts in this situation.
21 In that situation, Mr. Stivers, who is the licensee, had
22 a long history with Mr. Pierce, who is the Board member.
23 They had exchanged a dislike for one another outside of
24 any hearing process. They had been competitors in the
25 business, direct competitors, not possible competitors.

1 And the court had some important points to
2 make. Particularly, there's two ways in which you can
3 establish that a licensee has been denied their
4 constitutional right to a fair hearing before an
5 impartial tribunal. They must demonstrate an actual
6 bias on the part of the adjudicator.

7 That simply does not exist here. The fact that
8 Mr. Zane did not vote in favor of that contract doesn't
9 demonstrate actual bias in any way.

10 In addition, he did not even attempt to bias
11 any other Board member. He made no comments at all
12 regarding why he did not vote in favor of the stipulated
13 agreement. There is no pecuniary or personal interest
14 in the outcome.

15 On -- I'll give you a cite. This would be on
16 page 741. And this talks about the evidence of the bias
17 of the member of the Board. On the record there, his
18 personal and pecuniary interest in the outcome of the
19 proceedings, standing alone, would be insufficient to
20 support a claim that the appearance of partiality
21 violated due process.

22 In that case, there was actual direct
23 competition, and even then the court said that that
24 alone would be insufficient.

25 We don't even have that in this case.

1 Nor would the Board's repeated unfavorable
2 rulings, standing alone, be sufficient.

3 That hasn't happened.

4 He must -- and then adverse rulings alone are
5 not sufficient to require recusal, even if the number of
6 such rulings is extraordinarily high.

7 And that's citing a U.S. Supreme Court case.
8 No. I'm sorry. The cert was denied. That's citing a
9 Ninth Circuit case, McCalden v. California Library
10 Association.

11 Then the court went on to say that when there's
12 evidence of a pecuniary interest that's considered along
13 with evidence of discriminatory treatment by the Board,
14 there's a genuine issue of fact as to whether the
15 licensing proceedings were tainted by actual bias.

16 There's simply no evidence of that in this
17 case.

18 The evidence that they found in that case, they
19 said it could be divided into the following categories:

20 Evidence of a pecuniary interest. Doesn't
21 exist in this case. Did exist in the Stivers case.

22 Evidence concerning a past association that
23 existed between Pierce and Stivers. Does not exist in
24 this case. They are not business associates. They've
25 not been business associates.

1 Evidence that Stivers received unusually harsh
2 and highly irregular treatment from the Board. I would
3 say that the exact opposite occurred. We had all of the
4 evidence that we needed to revoke Mr. Hendi's license at
5 the last hearing, and he knew that. And we gave him a
6 very favorable agreement, and the Board accepted that
7 agreement. There is no evidence that he's been treated
8 harshly.

9 And, finally, the last thing that they
10 considered was that the Board, through its employees,
11 sought to impede and delay plaintiff's efforts to do
12 business. For the same reasons that I just stated, the
13 Board staff has bent over backwards trying to ensure
14 that Mr. Hendi and his business would be compliant with
15 chapter -- with NRS Chapter 648.

16 Just a couple more things.

17 The Stivers case quotes a U.S. Supreme Court
18 case, Aetna Life, 475 U.S. at 825. There it said that
19 the court has made clear that due process is not
20 violated by the participation of adjudicators who might
21 conceivably have had a slight pecuniary interest.

22 We don't even have that. And the fact that
23 they would even competed for a few specific contracts is
24 not, in and of itself, sufficient to meet this standard.
25 According to what Mr. Zane has disclosed, they've not

1 competed for contracts together.

2 And then, and this is probably the most
3 important thing, the due process clause imposes only
4 broad limits on the exercise by the state of its
5 authority to regulate its economic life and particularly
6 the conduct of its profession.

7 If members of the Licensing Board were
8 disqualified whenever they have some competitive
9 interest in the outcome of proceedings before them,
10 practitioners in the field would, as a practical matter,
11 be excluded from becoming members of such boards. And I
12 would say that, in this case, if we were to exclude
13 every person with a license, we would never have a
14 quorum.

15 And then there's a couple of cases that cite to
16 the Stivers case. There's a United States District
17 Court court case out of the Northern District of West
18 Virginia, Henry v. Jefferson. In there, they are
19 speaking about the Stivers case, and they note that an
20 adverse decision is not enough to make a constitutional
21 case of bias against the administrative tribunal.

22 We don't even have that in this case.

23 And one more case. This is out of the United
24 States District Court, the District of Oregon, Lumbreras
25 v. Roberts. That's L-U-M-B-R-E-R-A-S. A plaintiff must

1 overcome a presumption of honesty and integrity on the
2 part of decision makers. The plaintiff must at least
3 prove that the decision makers prejudiced or reasonably
4 appears to have prejudiced an issue.

5 And I would say that if the issues that's
6 prejudiced, it's been prejudiced by Mr. Hendi and by his
7 counsel's bringing this issue to light, not by anything
8 that the Board has done.

9 MS. BRADLEY: Okay. And, I think, because it
10 was Mr. Campbell's motion, do you have anything that you
11 want to add before the Board?

12 MR. CAMPBELL: No, no, the case speaks for
13 itself. I don't think we need to read any more of the
14 record into the -- the court case into the record.

15 MS. BRADLEY: Okay. And so, because it's a
16 motion that was brought by Mr. Campbell, I think, it's
17 best if it's actually decided by the Board. Just like
18 any other motion that's brought, if he brought a motion
19 to dismiss or other kind of motion, that the Board would
20 consider it and make a decision.

21 So that's my -- my thought would be that the
22 four Board members consider these arguments and make a
23 decision as to whether Mr. Zane is required to recuse.

24 And, I guess, I would probably say, Mr. Zane,
25 you might think about recusing and letting the other

1 three decide, you know what I mean, just because it's
2 about you.

3 BOARD CHAIRMAN ZANE: Okay. Thank you.

4 MS. BRADLEY: It's up to you, but.

5 BOARD CHAIRMAN ZANE: On advice of counsel, I
6 would recuse from the vote. And I'd ask Mr. Nadeau to
7 proceed in my stead.

8 BOARD MEMBER NADEAU: Thank you, Mr. Chair.

9 I would accept the motion.

10 MS. BRADLEY: Okay. Do Board members want to
11 discuss what they've heard, or do you just want to do a
12 motion, either way?

13 BOARD MEMBER NADEAU: Actually, I'd prefer if
14 we do a motion and then discuss it.

15 MS. BRADLEY: Okay. Okay.

16 BOARD MEMBER FLYNN: Jim, are you looking for a
17 motion?

18 BOARD MEMBER NADEAU: Please.

19 BOARD MEMBER FLYNN: Can they hear us?

20 MS. BRADLEY: He said "Please." Did you hear
21 that?

22 BOARD MEMBER FLYNN: Oh, I couldn't hear. My
23 apologies.

24 I'd like to make a motion that the plaintiff's
25 counsel's motion to have our chairman recuse himself be

1 denied.

2 BOARD MEMBER COLLINS: Second.

3 BOARD MEMBER NADEAU: We have a motion, and we
4 have a second. We have a motion. Any discussion on the
5 motion?

6 MS. BRADLEY: I would, I would suggest that you
7 at least discuss it slightly, so there's something in
8 the record as to why the motion was made and why you
9 might vote or not vote for the motion.

10 BOARD MEMBER FLYNN: Ray Flynn, for the record.
11 I have not heard anything to cause the chairman to
12 recuse himself from this hearing. And I'm actually
13 pretty surprised that this is the first time we've heard
14 about this. And I've been sitting on the Board for
15 almost a couple years now, and no one's ever brought
16 this up. And we've had all kind of hearings and all
17 kinds of testimony.

18 So that's my reasoning.

19 BOARD MEMBER COLLINS: Hearing the -- excuse
20 me. I hear the statements, statements from both
21 counsels. There's no reason that I would see the need
22 to have the chairman recuse himself from the voting.

23 BOARD MEMBER NADEAU: Okay. And I'll go ahead
24 and go on the record. I'm going to support the motion.
25 I think, we've heard both sides. And I'm going to

1 support the motion.

2 So with that, we have a motion by Member Flynn
3 and a second by Member Collins. All in favor of the
4 motion, signify by saying "aye."

5 (Board members said "aye.")

6 BOARD MEMBER NADEAU: Opposed?

7 Passes unanimously.

8 MS. BRADLEY: With one recusal.

9 BOARD MEMBER NADEAU: With one recusal.

10 BOARD CHAIRMAN ZANE: Thank you, sir.

11 BOARD MEMBER NADEAU: Okay. Back to you,
12 Mr. Chair.

13 BOARD CHAIRMAN ZANE: Thank you.

14 Okay. Are there any other issues before we get
15 started?

16 MS. PALMER: There's still the issue of
17 Mr. Smith appearing.

18 MS. BRADLEY: Yes.

19 MS. PALMER: This would -- and that's, again,
20 another matter that has not -- that Mr. Campbell has not
21 broached with me. We have not discussed it. He did not
22 let me know.

23 I'm absolutely opposed to reversing the order
24 of the hearings. I didn't prepare the hearings that
25 way. It's not agendized that way. And I think that

1 this is, again, an unfair surprise and a tactic, quite
2 frankly, to try and prevent this proceeding from moving
3 forward on the state.

4 MR. CAMPBELL: To the contrary, I just found
5 out --

6 MS. PALMER: I'm sorry. I --

7 MR. CAMPBELL: Are you finished?

8 MS. PALMER: And I apologize, Mr. Campbell.
9 But there's one other thing that I thought of earlier
10 that I'd like to say, and that is that I don't even
11 believe that Mr. Smith's testimony is relevant. I think
12 that the documents speak for themselves. I think that,
13 unless Mr. Hendi is waiving the attorney-client
14 privilege to have his attorney testify about something,
15 is highly inappropriate and not even necessary to this
16 proceeding.

17 MR. CAMPBELL: Well, that's your objection you
18 can make at the time I call him.

19 As to the surprise today, I found out about
20 this when I interviewed Mr. Smith late yesterday
21 afternoon. I'm not trying to undo any procedure. You
22 know, the Board can always shuffle the deck on agendaed
23 items. And possibly we can accommodate with the order
24 we have him in now. I just wanted to let the Board, as
25 an accommodation, know that I have a witness issue.

1 MS. PALMER: And I would just like to make one
2 more comment, if I may, and that is that I -- actually,
3 the very first time that I spoke to Mr. Campbell, I told
4 him that I believed he would have an issue with his
5 counsel appearing on September 1st. Because, according
6 to his out-of-office email, his former counsel, Rob
7 Smith, indicates that he would be on sabbatical until
8 September 1st. And he assured me that he would be
9 available and he would be testifying today.

10 So I mean perhaps there is something new that
11 came up. But I believed back then that there would be a
12 problem, and he assured me that there wouldn't.

13 MR. CAMPBELL: As I said, counsel, I just found
14 out about it late yesterday afternoon. So that's why I
15 broached the subject first thing in the hearing this
16 morning.

17 MS. BRADLEY: So it's 10:00 o'clock now. And
18 this witness relates to the complaint hearing.

19 MR. CAMPBELL: Yes.

20 MS. BRADLEY: So my thought, and I don't know
21 if it will work this way or not, but if we could, I
22 think, it's better to try to get through the citation
23 case, if we can, and then possibly consider a witness
24 out of order for the other, the complaint case.

25 I mean that's just my thought. I would like to

1 try to have the Board members not be jumping from one
2 thing to another.

3 So I don't know what you think, Mr. Chair, but
4 I mean I was sort of hoping we could maybe get the
5 citation done. I don't know if we will. But maybe what
6 we can do is -- it sounds like that other witness will
7 be available from 11:00 to 1:30. Maybe we can go until
8 noon and see where we're at, and then decide how to
9 handle that witness.

10 MR. CAMPBELL: That's fine. I was just trying
11 to make a suggestion. I just wanted to bring it to
12 everyone's attention --

13 MS. BRADLEY: Yeah.

14 MR. CAMPBELL: -- that I have an issue.

15 MS. BRADLEY: So does that work, Mr. Chair?

16 BOARD CHAIRMAN ZANE: Yes, ma'am.

17 MS. BRADLEY: Okay.

18 BOARD CHAIRMAN ZANE: So we're going to go
19 ahead with the citation appeal.

20 MS. BRADLEY: Yes.

21 BOARD CHAIRMAN ZANE: Okay. And we have
22 invoked the exclusionary rule. So anybody having the
23 intent to testify will have to leave until you're
24 called, please.

25 MS. BRADLEY: Yes, they're leaving now. And,

1 of course, Mr. Hendi's allowed to stay, because he's a
2 representative of his side. And then, Mr. Ingram, I
3 think, can stay as well, as a representative of the
4 state.

5 MR. CAMPBELL: Ms. Irizarry has already left
6 the room, I think.

7 MS. BRADLEY: They've left.

8 MR. INGRAM: Yes. She is now.

9 BOARD CHAIRMAN ZANE: She's leaving now.

10 MS. BRADLEY: Okay.

11 BOARD CHAIRMAN ZANE: Okay. Then, we'll
12 proceed.

13 MS. PALMER: Mr. Chairman, there was one more
14 preliminary matter. I'm not sure how we decided to
15 handle the exhibits. Was there any discussion up north?
16 I --

17 MS. BRADLEY: Yes.

18 MS. PALMER: I had reached out to Mr. Campbell
19 and, also, advised Board counsel of the potential
20 problem.

21 MS. BRADLEY: So my thought would be that I
22 don't want the Board to have any exhibits until they're
23 admitted. That's the normal procedure that we would
24 follow. I have exhibits here.

25 I believe that the smaller binders are yours,

1 Ms. Palmer?

2 MS. PALMER: I don't know what the binders look
3 like. I haven't seen them.

4 MS. BRADLEY: Oh, okay. Well, I have one that,
5 yeah, I think, it's -- it's yours, these smaller ones.

6 MS. PALMER: Yes.

7 MS. BRADLEY: Okay. I have two binders. And I
8 see that Mr. Nadeau has the same binders that I do. So
9 those are Ms. Palmer's exhibits.

10 And then I have a big binder here for
11 Mr. Campbell. He and I discussed, when his exhibits are
12 admitted, I can take them from the tab and hand them to
13 Mr. Nadeau.

14 But I'm not sure how we want to handle it in
15 the south. Like I said, my belief is, if we can
16 stipulate to exhibits, they can be handed out now. If
17 we're not stipulating to exhibits, they're handed out as
18 they're admitted, and that's when the Board reviews them
19 for the first time. The exception would be the chair,
20 if he needs to look at one to determine whether it
21 should be admitted, before it's admitted. But,
22 otherwise, the other Board members don't get it until
23 it's admitted.

24 So is there a way to make that work in the
25 south?

1 MS. PALMER: So maybe a -- yes. We have
2 somebody here who can give them the exhibits as they're
3 admitted.

4 MS. BRADLEY: Okay.

5 MS. PALMER: Should we go ahead, then, and give
6 the binders to the chairman, so that he'll have all of
7 them in front of him?

8 MS. BRADLEY: I mean, I guess, you can do that.
9 I mean really the Chair shouldn't look at them, either,
10 until they're admitted, unless he needs to when making
11 that decision. You know, that's not always required.
12 So, I think, that fine. That's certainly preferable
13 than all the Board members having them.

14 I'll take these.

15 So I have the exhibits here.

16 MS. PALMER: So one of the books and one of the
17 gray ones.

18 (Mr. Saladino gave the exhibit binders to Board
19 Chairman Zane.)

20 BOARD CHAIRMAN ZANE: Thank you.

21 I think that I would just want to hang on to
22 these. Unless we go through, and there's a legal
23 question, I don't know that I want to --

24 MS. PALMER: Look at them.

25 BOARD CHAIRMAN ZANE: -- look at them.

1 MS. BRADLEY: Yeah.

2 BOARD CHAIRMAN ZANE: Unless I need to --

3 MS. BRADLEY: Yeah.

4 BOARD CHAIRMAN ZANE: -- on a particular issue.

5 MS. BRADLEY: Yeah.

6 BOARD CHAIRMAN ZANE: Okay.

7 MS. BRADLEY: That makes sense.

8 BOARD CHAIRMAN ZANE: Proceed.

9 MS. PALMER: All right. Thank you.

10 Good morning, Mr. Chairman, members of the
11 Board. We are here on appeal of a violation issued by
12 the Private Investigator's Licensing Board to its
13 licensee, ESI Security, license number 700, for
14 violating Nevada Revised Statute 648.060, subsection 2,
15 which states that no person may be employed by a
16 licensee unless the person is registered pursuant to
17 this chapter.

18 ESI Security violates this statute by employing
19 two individuals as employment recruiters for its
20 company.

21 Now, ESI Security does not dispute that these
22 individuals engaged in the services of recruiting
23 employees for its company. And ESI Security does not
24 dispute that these individuals were not registered with
25 the Private Investigator's Licensing Board pursuant to

1 Nevada Revised Statute 648.060.

2 Instead, ESI Security hinges its defense on the
3 word "employed" in the statute. ESI Security contends
4 that because these individuals are not on the payroll of
5 its company and instead are on the payroll of a sister
6 corporation, Events Services, which is not subject to
7 NRS Chapter 648, that they are not actually employed by
8 a licensee and thus do not have to be registered.

9 This contention is a legal fiction, nothing but
10 a shell game that will require the Board to pay close
11 attention to the evidence that will be presented by the
12 state and to stay focused on the shell hiding the green
13 pea as the shells are shuffled around by ESI Security
14 with the intent of deceiving this Board. Just as in any
15 shell game, the player is first given an opportunity to
16 see where the pea is hiding, before it is covered by the
17 shell, so that he or she knows where to look to avoid
18 the deception.

19 In this case, you should focus your attention
20 on whether or not ESI Security and Events Services
21 really are separate entities or whether, instead, one is
22 just the alter ego of the other and, also, the alter ego
23 of their only officer and qualifying agent, Mr. Hendi.
24 And if you do that, you should have no trouble in
25 deciding that the violation issued by Board staff to ESI

1 Security should stand.

2 BOARD CHAIRMAN ZANE: Thank you.

3 Mr. Campbell.

4 MR. CAMPBELL: Yes. Thank you, Mr. Chairman
5 and members of the Board. Again, for the record, Rick
6 Campbell on behalf of the respondent.

7 This notice of violation should not have been
8 directed at ESI Security. The two people in the notice
9 of violation, Ms. Haslip and Mr. Magri, do not work for
10 ESI Security. They have never worked for ESI Security.
11 They do administrative work for all three of Mr. Hendi's
12 companies.

13 Events Services is Mr. Hendi's company that
14 has -- hires its administrative staff, has accounting
15 functions, has recruiting functions, has receptionist
16 functions. He also has two other companies, Shred-it --
17 or he had two other companies. Shred-it was just
18 recently sold. But the recruiters and the other
19 employees of Events Services provided services to all
20 three of his separate companies. But Events Services
21 was the company that had, that hired the administrative
22 staff and did administrative matters for all of the
23 companies.

24 As to Ms. Haslip and Ms. Magri, they review job
25 applications that come into all three of the companies.

1 Sometimes applicants don't know which company they want
2 to work for. Some may want to work for Shred-it. Some
3 may want to work for Events Services and not get a PILB
4 license. Some may want to get a PILB license. So they
5 interview them. They help them through the process of
6 the interview, of filling out paperwork.

7 And if a PILB employee wants to, I mean if a
8 potential employee wants to be a private patrol officer,
9 then Ms. Haslip or Mr. Magri would help them through
10 that process.

11 In helping them through that process, they sent
12 emails to the Board staff saying "Here's another
13 applicant. This applicant is -- you know, is interested
14 or has filled out the paperwork. Do you need anything
15 further? Does the paperwork look in order?" those kind
16 of ministerial matters unrelated to the private patrol
17 function of an employee.

18 It's really no different than when someone in
19 the accounting department writes a check to an ESI
20 Security employee or an ESI Security vendor. Same with
21 the janitor. The janitor that comes in and employs the
22 ESI companies would be an employee of Events Services,
23 but he would clean the offices of ESI Security. Same
24 with the receptionist. The receptionist answers the
25 phone for all three companies. She's an Events Services

1 employee.

2 They've got these employees as Events Services
3 employees because they don't need to be licensed.
4 They're providing a function that is not regulated by
5 the statute. Just because they sent emails to the staff
6 does not transmute them into some employee.

7 And this is not a shell game, where we're
8 trying to hide anything. There's no deception here.
9 There's no intent to hide the pea. The pea was always
10 out in the open. It's always been out in the open.

11 And you'll see, through this hearing, when
12 questioned about it, advice was asked how to deal with
13 this issue. You know that NRS 648.013 defines what a
14 private patrol officer does. And if you look at that
15 definition, it doesn't include recruiting. It doesn't
16 include those types of functions that these two
17 employees do. Quite simply, Haslip and Magri are not
18 private patrol officers.

19 Interesting, these two, these statutes, the NRS
20 648, have some anomalies in them that, I think, may be
21 confusing for both the Board and the company.

22 648.203 only makes it unlawful for a person to
23 do work that's regulated by this chapter. So it's not
24 unlawful for a person to do work that's not regulated by
25 this chapter. It then goes on that unless that employee

1 is registered. Acting as a recruiting specialist is
2 certainly not something that is regulated by this
3 chapter.

4 648.060 is the anomaly, because it mandates
5 that all employees of a licensee be registered.

6 Well, again, Ms. Haslip and Mr. Magri are not
7 employees of the company. They provide an
8 administrative function to that company by assisting
9 potential ESI employees, because they're not ESI
10 employees until they get their card, by walking through
11 the process.

12 If the Legislature wanted all the people who
13 provide service to a licensee to be registered, it could
14 have passed some kind of statute like that. It could
15 have said "And any third-party vendor or any other
16 outside party who does any work for a licensee must also
17 be registered." It doesn't say that.

18 So I think that what we're doing here is that
19 if the staff really believes that Haslip and Magri were
20 doing work that was regulated by the PLIB, they should
21 have cited Events Services under 648.060, which
22 prohibits an unlicensed company from engaging in the
23 business of being a private patrol officer. But, as
24 I've mentioned, they're not, they're not doing any work
25 regulated by the statute. And the 648.203 and 060 are

1 somewhat of an anomaly, because it does not make them --
2 it does not make it unlawful for them to do unregistered
3 work.

4 So, again, we're not trying to hide the pea
5 here. We're not trying to be deceptive here.

6 Mr. Hendi's had this company set up and structured like
7 this for a number of years. And the PILB Board has
8 known about this event for at least two or three years,
9 that these, that recruiters are sending emails to the
10 staff, acting kind of as an agent of Events Services to
11 help assist potential ESI employees in getting through
12 the process.

13 Thank you.

14 BOARD CHAIRMAN ZANE: Thank you, Mr. Campbell.
15 You had mentioned that Mr. Hendi had a third company,
16 Shred-it. Is that a company that provides shredding
17 services in the northern Nevada area?

18 MR. CAMPBELL: That is, but it's now been sold.

19 BOARD CHAIRMAN ZANE: Okay. I still don't have
20 a conflict, but I am a customer.

21 Thank you.

22 MR. CAMPBELL: Not of ours anymore. You're a
23 customer of the parent corporation.

24 BOARD CHAIRMAN ZANE: All right. Thank you.

25 Ms. Palmer.

1 MS. PALMER: I believe, would it be appropriate
2 at this time to introduce some exhibits that, I believe,
3 we've agreed, we've stipulated on, through just some
4 preliminary matters?

5 MS. BRADLEY: Yeah.

6 MS. PALMER: And I would propose they would be
7 the state's exhibit 1, 2, 4, 5, 6 and 7.

8 MS. BRADLEY: Oh, I see, 1, 2, 4, 5, 6 and 7.

9 MR. CAMPBELL: Yeah.

10 MS. BRADLEY: And those are complaint and
11 notice of hearing, certified mail receipts, order
12 regarding settlement, 3-3-2016 transcript, declaration
13 regarding fees, email communications, and a check.

14 MS. PALMER: No, no, no. You have the wrong,
15 you have the wrong binder.

16 MS. BRADLEY: I do?

17 MS. PALMER: Yes.

18 MS. BRADLEY: Okay. Sorry.

19 MS. PALMER: This would be the one that has 20.

20 MS. BRADLEY: Okay. Okay. I see. Notice of
21 violation, certified mail, email communications, notice
22 of appeal, notice of hearing, letter regarding hearing
23 date, and revised notice of hearing. Those are the ones
24 that you've stipulated --

25 MS. PALMER: Not the email.

1 MR. CAMPBELL: I don't think she --

2 MS. PALMER: Not the email communication.

3 MS. BRADLEY: Okay, 1, 2, 4, 5, 6 and 7. I'm
4 sorry.

5 MS. PALMER: That's correct.

6 MR. CAMPBELL: And then I would, I would go
7 ahead and stipulate to number 18, number 19, number 20.

8 MS. BRADLEY: Okay.

9 MR. CAMPBELL: And then --

10 MS. BRADLEY: 18, 19, 20.

11 MR. CAMPBELL: Ms. Palmer, I think that the
12 answer, we usually only add it to the complaint
13 exhibits, correct?

14 MS. PALMER: The answer to the amended
15 complaint in number 10, is that what you're referring
16 to, Mr. Campbell?

17 MR. CAMPBELL: Let me double-check that, make
18 sure I'm --

19 MS. PALMER: Or are you referring to -- are you
20 referring to your answer in the complaint for the next
21 agenda item, or are you referring to the answer in the
22 amended complaint --

23 MR. CAMPBELL: Yeah.

24 MS. PALMER: -- that was filed back in
25 November?

1 MR. CAMPBELL: I'm referring to the answer we
2 filed. And I assume we talked yesterday about adding
3 that to a binder, and that that would only be the
4 complaint binder.

5 MS. PALMER: Yes, sir.

6 MR. CAMPBELL: Okay.

7 MS. BRADLEY: Okay. So. So it's 1, 2, 4, 5,
8 6, 7, 18, 19 and 20 that you're stipulating to?

9 MR. CAMPBELL: Yes.

10 MS. BRADLEY: Okay. So, Mr. Chair, based on
11 the stipulation, are you calling them admitted?

12 BOARD CHAIRMAN ZANE: Yes, please.

13 (Exhibits 1, 2, 4, 5, 6, 7, 18, 19 and 20 were
14 admitted.)

15 MS. BRADLEY: Okay. So I'm going to hand those
16 out to Mr. Nadeau right now.

17 BOARD CHAIRMAN ZANE: Thank you.

18 (There was a brief period off the record while
19 the exhibits were handed out.)

20 BOARD CHAIRMAN ZANE: Any other preliminary
21 matter?

22 Okay. Case presentation.

23 MS. PALMER: Okay. Before I begin to discuss
24 the exhibits that were just admitted, my first witness
25 will be Lori Irizarry. May I call her at this time?

1 BOARD CHAIRMAN ZANE: Yes, please.

2 MS. PALMER: May the record reflect that
3 Ms. Irizarry's here, and she's been previously sworn.

4 She has an exhibit book in front of her that
5 contains all of the exhibits, but she will be instructed
6 only to look at exhibits that have been admitted. And
7 then she may have to look at something to lay the proper
8 foundation for the other ones, but that'll come up as
9 the testimony begins.

10 So I'm going to start. We admitted some
11 exhibits in your absence, and I'm going to describe what
12 they are now. Exhibit Number 1 --

13 THE WITNESS: This book?

14 MS. PALMER: -- is a copy of the notice of
15 violation that was -- that we're here, that ESI is
16 appealing here today, and that's violation I-071-16.

17 Exhibit Number 2 is a certified copy of the
18 mailing receipt for the actual notice of violation that
19 was indicating when it was sent and when it was returned
20 to the Private Investigator's Licensing Board.

21 Exhibit Number 4 is a letter dated July 11,
22 2016, from Mr. Campbell to Board staff indicating that
23 he has been retained by ESI Security regarding this
24 matter and that he is officially appealing the June 29th
25 violation in Exhibit 1.

1 Exhibit Number 5 is a notice of the hearing,
2 which was noticed for September 8th of 2016 at 9:00 a.m.

3 Exhibit Number 6 is a communication from
4 Mr. Campbell, and particularly on that document,
5 Bates-stamped PILB 22, indicating that he would not be
6 available on September 8, that he would be out of the
7 country, at which time I spoke with him on the
8 telephone, on that date, and we rescheduled that hearing
9 for today's date.

10 And Exhibit 7 is the notice of the hearing for
11 today's date, scheduling it for September 1st at
12 9:00 a.m. And that was sent by certified mail on August
13 the 2nd of 2016.

14 And that's it, right? Those are the exhibits
15 that the Board has previously -- I'm not going to
16 discuss 18, 19 and 20 yet.

17 BOARD CHAIRMAN ZANE: Okay.

18 MS. PALMER: I appreciate that you've
19 stipulated to the agreements. That will definitely make
20 things go faster, but I'm not ready to introduce them.

21 Shall I begin?

22 BOARD CHAIRMAN ZANE: Yes.

23 ///

24 ///

25 ///

1 L O R I I R I Z A R R Y,
2 having been previously sworn by Board Chairman Zane,
3 was examined and testified as follows:

4
5 D I R E C T E X A M I N A T I O N

6 BY MS. PALMER:

7 Q. Ms. Irizarry, where are you employed, and what
8 is your job title?

9 A. State of Nevada Private Investigator's
10 Licensing Board, and my job title is Chief of
11 Operations.

12 MS. PALMER: And can everybody hear her up
13 there?

14 MR. CAMPBELL: Yes.

15 MS. BRADLEY: Yes.

16 BY MS. PALMER:

17 Q. Okay. How long have you been employed by the
18 Private Investigator's Licensing Board?

19 a. A little over three years.

20 Q. And what are your job duties?

21 A. As Chief of Operations, I kind of oversee both
22 investigation and admin staff. I work a lot with work
23 cards. So when people are applying for their work
24 cards, I work with the admin staff, them processing work
25 cards. With the investigators, whether it's questions

1 regarding arrest histories, citations, violations,
2 audits, I set up most of the audits and citations for
3 outside compliance for them. And I'm a go-to for them
4 when they have questions regarding arrest history.

5 And aside from that, I don't do too much with
6 the licensing. That's the one thing I don't really work
7 a lot with.

8 Q. New --

9 A. New licenses.

10 Q. And how do your job duties differ, as chief
11 operating officer, from when you were in your previous
12 capacity, and what was that previous capacity?

13 A. I previously was a compliance/audit
14 investigator. So when I was a compliance/audit
15 investigator, I didn't do as much admin work. I ran
16 backgrounds for the work cards, but I wasn't hands-on
17 with the admin staff, making sure that they process
18 payments and deposits and things, bank deposits, weekly.
19 So as a compliance/audit investigator, I'd be assigned
20 investigations -- I still am -- assigned investigations,
21 complaints. But I did more large-scale audits on
22 licensees. So if there was a complaint, we would, I
23 would be in charge of conducting the audits for them, on
24 them, essentially.

25 Q. All right. I would like to have you look at

1 proposed Exhibit 3.

2 A. Okay.

3 Q. Particularly the first page, which is marked
4 PILB 8. Do you recognize this out-of-office email?

5 A. Yes, I'm familiar with it.

6 Q. And, in fact, did you receive this document?

7 A. Yes, I did.

8 Q. And that was in the ordinary course of
9 business?

10 A. Correct.

11 Q. And you keep this document in the ordinary
12 course of business?

13 A. Yes, I do.

14 MS. PALMER: Okay. I would like to move to
15 have this -- well, let me see if I can lay some
16 foundation for the rest of it.

17 MR. CAMPBELL: I'm not going to have any
18 objection to this document, counsel.

19 MS. PALMER: Okay. Okay. Then, I'll go ahead
20 and pass this out to the Board members now as well.

21 MS. BRADLEY: Well, Mr. Zane, you need to say
22 that it's admitted, if you want it to be. So she's
23 asked that it be admitted. He said he doesn't have an
24 objection. So.

25 BOARD CHAIRMAN ZANE: What's the exhibit

1 number?

2 MS. BRADLEY: Exhibit 3.

3 MS. PALMER: Exhibit number 3.

4 MS. BRADLEY: You can just say "So admitted" if
5 you like, since the parties are agreeing. So,
6 technically, it shouldn't be passed out until you
7 actually say it's admitted, and I didn't hear that.

8 BOARD CHAIRMAN ZANE: I did.

9 MS. PALMER: He did.

10 MS. BRADLEY: Okay. We didn't hear it up here
11 at all.

12 BOARD CHAIRMAN ZANE: It's admitted.

13 MS. BRADLEY: Okay.

14 (Exhibit 3 was admitted.)

15 MR. INGRAM: May I make a recommendation,
16 counsel. With the sensitivity of the microphones, every
17 time paper is shuffled on the desk there, it disrupts
18 the speaking from down here. So if you could mute it
19 when people are testifying here, and turn it back on
20 when someone needs to speak in the north, that would
21 help.

22 MR. CAMPBELL: Will do. I've actually moved it
23 to further into the table, probably soft.

24 MR. INGRAM: Thank you. Thanks.

25 ///

1 BY MS. PALMER:

2 Q. Okay. Turning your attention to that exhibit
3 marked PILB 8, who is Rob Smith?

4 A. At the time of this email, it was ESI's
5 attorney.

6 Q. And why were you -- did you -- you sent
7 something to him, and you received this out-of-office
8 reply in return?

9 A. Yes.

10 Q. What were you sending to him?

11 A. A notice of violation.

12 Q. And was that the violation that was marked as
13 Exhibit 1?

14 A. Correct.

15 Q. Okay. Why were you sending him the notice of
16 violation?

17 A. Well, so I was required to send Rob Smith the
18 notice of violation. It kind of goes back to November.
19 In November, we had -- we were asking the Board to
20 revoke ESI's license at that time. And that was because
21 numerous violations were still pending. They weren't
22 responded on the few violations. Monies were still
23 outstanding. And they were habitually being
24 noncompliant with Chapter 648. So we felt it necessary
25 at that time to ask, to go before the Board, asking to

1 revoke their license.

2 So we were supposed to go before a hearing in
3 December, and that was postponed to March. So between
4 December and March, there were negotiations going on
5 between ourselves and ESI, and we came to an agreement
6 that ESI agreed to the revocation of their license, and
7 we agreed to stay the revocation, albeit giving them an
8 opportunity to, essentially, clean up their act.

9 And a part of that stay, we were required to,
10 any time a future violation occurred, I had to notify,
11 or we had to notify not only ESI, but their attorney as
12 well. So that's why I sent an email.

13 Q. Okay. And when you refer to the Board action
14 that -- where you were seeking revocation of the
15 license, was that done -- and I'd like to refer you to
16 Exhibit 9. Was that done through this amended
17 complaint?

18 A. Yes.

19 Q. That is before you?

20 A. Yes.

21 Q. And do you recognize that document?

22 A. Yes.

23 Q. Are you familiar with it?

24 A. Yes.

25 MS. PALMER: Do you have any objection to

1 admitting this exhibit?

2 MR. CAMPBELL: I don't know what the relevance
3 of this exhibit is. You know, we know there was a
4 complaint. We know it led to a stipulation. So I don't
5 know why we need to get into the details of this. So
6 I'd object on relevancy grounds. I mean she can testify
7 that it was based on a complaint, but I don't know why
8 we need to clog the record with an exhibit if it isn't
9 relevant to this proceeding.

10 MS. PALMER: Well, okay. I'll hold off, then,
11 and the relevancy will become more apparent as we move
12 on. So it's not necessary at this time.

13 BY MS. PALMER:

14 Q. So turning back to Exhibit 3, on page number
15 eight --

16 A. Yes.

17 Q. -- what did you do in response to receiving the
18 out-of-office email?

19 A. The out-of-office asked that I contact, I
20 guess, his legal assistant, Gaylene Silva. So I
21 forwarded my notice of violation to Gaylene Silva.

22 Q. And if you would turn to page nine. Is this
23 where you referred the document to Ms. Silva?

24 A. Yes, correct.

25 Q. What led to the issuance of the notice of

1 violation that ESI is appealing here today?

2 A. I was -- well, I was originally notified of a
3 potential violation by our investigator in the north,
4 Jason Woodruff, that he believed someone was working for
5 ESI Security without a work card.

6 Q. I would like to turn your attention to
7 Exhibit 8. And that's page 28. Do you recognize this
8 document?

9 A. Yes.

10 Q. And is this a document that you keep in the
11 ordinary course of business?

12 A. Yes.

13 Q. And, in fact, it's an email that was addressed
14 to you?

15 A. Yes.

16 Q. You received the email?

17 A. Correct.

18 MS. PALMER: We'd like to admit Exhibit 8.

19 MR. CAMPBELL: No objection.

20 BOARD CHAIRMAN ZANE: It'll be admitted.

21 (Exhibit 8 was admitted.)

22 BY MS. PALMER:

23 Q. Is this the email that you testified you
24 received from Jason Woodruff?

25 A. Correct, yes.

1 Q. And what is it in particular that -- the
2 information on this document that you received from him?

3 A. So Jason was providing the information. We
4 have a general in-box that PILB uses. I don't utilize
5 that in-box often. Only if I need to, I enter the
6 in-box every now and then. But the girls in our Carson
7 City office utilize that in-box often. So they were --
8 they received an email from an ESI Security staff
9 member, from C.A. Magri, and they notified Jason,
10 because, to see if this person had a work card. And he
11 looked into it and realized that C.A. Magri didn't have
12 a work card. So he brought it to my attention, since
13 I'm currently working on an ESI case.

14 Q. And what did you do when you received the
15 information from Jason?

16 A. So, initially, if you look at the email that
17 C.A. Magri sends to our general in-box, the name is C,
18 period, A, period, Magri. Since it's abbreviations, I
19 didn't want to assume that that's their first name,
20 possibly a shortened name. So the first thing I did
21 is -- maybe Jason didn't realize that they had a work
22 card. So I looked into it. And I couldn't find a work
23 card for C.A. Magri.

24 But I also went back to our old PILB in-box to
25 see what other emails we were getting from ESI, maybe

1 this was the first one, see what type of emails we were
2 receiving from them, and noticed that we received emails
3 from a C.A. Magri as well as Sarah Haslip. Both
4 individuals did not have work cards.

5 So my next step was I emailed ESI, asking if
6 possibly was there a different spelling of the names, so
7 that I asked them if they have work cards.

8 Q. Okay. And if you would turn your attention to
9 the admitted Exhibit Number 3, pages 13 and 14. At the
10 bottom of page 13, is this the communication that you
11 sent to Amanda?

12 A. Yes, to Amanda and Hendi, Mike Hendi.

13 Q. Okay. And it's dated?

14 A. May 9th, 2016.

15 Q. And what is it that you asked them?

16 A. So in this email, I'm asking that if they could
17 give me some more information on two individuals, Sarah
18 Haslip, which was listed as a senior recruiter, and C.A.
19 Magri, recruiting specialist, and that I noticed that
20 they didn't have work cards, if they could tell me a
21 little bit more, if they were employed by ESI Security
22 and if they have work cards.

23 Q. And who is Amanda?

24 A. I know Amanda, based off of her email
25 signature, as human resource manager for ESI Security

1 services.

2 Q. Okay. And did you receive a response to your
3 inquiry?

4 A. Yes, I did.

5 Q. And is that the response noted directly above
6 the May 9th communication?

7 A. Yes, it is.

8 Q. And when is it dated?

9 A. The follow day, May 10th, 2016.

10 Q. Does Amanda's signature block differ from the
11 signature block of C.A. Magri, as noted in Exhibit 8, on
12 page 29?

13 A. No. Amanda and Sarah's email signatures are
14 exactly the same, except for the name and title.

15 Q. And they both reflect employment at which
16 company?

17 A. Their email signatures say "ESI Security
18 Services" and list PILB license number 700.

19 Q. Okay. Thank you. Do you know how long Amanda
20 has been employed with ESI?

21 A. Not exactly. I worked with Amanda on and off
22 probably for maybe a year, year and a half.

23 Q. Is Amanda a registered employee of ESI?

24 A. She's a very recent registered employee. She
25 just recently got her work card April of this year.

1 Q. April was after the agreement was entered into?

2 A. Correct. She didn't apply for the work card
3 until the middle to the end of March of this year, so
4 after the agreement, correct.

5 Q. Why didn't you issue a violation for Amanda?

6 A. So Amanda's work card came to my attention from
7 another investigator, who was running their backgrounds,
8 and she noticed that Amanda Hegdahl didn't have a work
9 card but listed her employment as with ESI. So she
10 brought it to my attention.

11 So at that time, I looked into it, realized
12 that Amanda did not have a work card. But when it was
13 brought to my attention, it was right around the time we
14 just stayed the revocation. So that was kind of in the
15 month of March. And I brought it to the director's
16 attention and asked for his opinion, if I -- because,
17 technically, I could have issued a violation. She was
18 working for the company, ESI Security, but she didn't
19 have a work card.

20 But we use discretion, because in the stay of
21 revocation, we agreed, the PILB agreed that we would go
22 to their office and do an on-site presentation for them.
23 Since that presentation wasn't conducted, which that
24 presentation was supposed to tell them the dos and the
25 don'ts, reiterate one time, in person, what they could

1 and couldn't do, since that presentation hadn't
2 happened, we decided not to issue. We did leniency. We
3 decided not to issue the violation and instead wait
4 until after the presentation was made.

5 Q. Was there anything in particular about this
6 response on page 13 of Exhibit 8 that struck you as odd?

7 A. Yes.

8 Q. And what was that?

9 A. So if you're reading the email from Amanda to
10 myself on May 10th, the first sentence, first couple
11 words, first red flag. She says "Sarah and C.A. are
12 both employed under Events Services, and they hold
13 responsibilities for recruiting for both companies."

14 And that right there, first sentence, kind of
15 gives me a red flag, because she uses the word "under."
16 I have a lot of years of investigative experience, and
17 to say the word "under" is, essentially, structuring.
18 You're under a company. If someone was asking me, are
19 you, what company are you under, I'm employed by the
20 state. I'm not under the state.

21 So that was kind of a red flag, how she worded
22 it. And, essentially, being that's the crux of the
23 problem that we have with -- decides who goes to who or
24 what employee aligns with what employees. So to use the
25 word "under" was kind of alarming.

1 Q. So what did you do next?

2 A. So after she did this response, I responded
3 back to her asking some follow-up information.

4 Q. And is that the communication on May the 10th
5 on Exhibit -- or marked number 12, Exhibit 8, I'm sorry,
6 Exhibit 3, page 12?

7 A. Correct.

8 Q. And what was it that you asked her?

9 A. So just to clarify, because in the previous
10 email she explains that they work for both, that the
11 individuals work for both companies, or I'm sorry, works
12 under both, responsibilities working for both companies.
13 And then she indicates that, if we'd like, she could
14 change the email signature and get them work cards. So
15 she kind of gives a recommendation.

16 But when I respond back to her, I'm asking for
17 clarification of their duties. I want to know exactly
18 what they did and their hire dates. And then I inform
19 her that I needed to discuss it with the director.

20 Q. And did she respond to your inquiry?

21 A. Yes, she did.

22 Q. And is that the communication beginning on
23 page 11 of Exhibit 3 at the bottom and extending to the
24 top of page 12?

25 A. Yes.

1 Q. And what did she tell you?

2 A. So she lists both individuals, Haslip and
3 Magri, and she gives their titles, and she gives their
4 hire dates as Haslip starting April 6 of '15 and Magri
5 starting April 25th of '16, of this year, right after
6 the stay.

7 Q. Okay. And she indicates the company that
8 they're employed by; is that correct?

9 A. Correct. She lists them both as recruiters for
10 Events Services.

11 Q. So what did you do after receiving her response
12 answering your question about their hire dates?

13 A. So, excuse me, that was another red flag,
14 especially for Magri, because of the hire date. The
15 date that she listed she was hired was after the stay of
16 revocation. So before I moved forward with issuing my
17 violation, I needed to discuss it with legal counsel and
18 the director. So I let her know that I would get back
19 to her with an answer.

20 Q. And is that your communication on May the 10th,
21 2016, reflected on page 11 of Exhibit 3?

22 A. Yes, it is.

23 Q. So did you get back to her in a week?

24 A. No, I did not.

25 Q. Did you communicate with her further?

1 A. She actually emailed me first, later in June,
2 and then I got back to her.

3 Q. Okay. And is that the communication on the
4 bottom of page 10, of June 24, 2016?

5 A. Yes, it is.

6 Q. And what was your understanding of her response
7 when she said that -- well, first of all, what is her
8 response?

9 A. Her response is that she was just asking, she
10 hasn't heard back from me in a while. And her second
11 sentence there, once again, another red flag, is, she
12 says "I want to ensure my department is a hundred
13 percent compliant. So if there is any action that we
14 need to take, please let me know."

15 So she's asking for me to follow up with her,
16 and she's asking about -- I guess -- go ahead.

17 Q. Well, I don't want to interrupt you.

18 A. Well, so the reason I bring up that sentence,
19 she says "I want to ensure my department," Amanda
20 Hegdahl is the human resources manager. She's human
21 resources manager. The other two individuals are listed
22 as recruiters. So. And she works for ESI Security with
23 a work card.

24 MR. CAMPBELL: Objection. I don't think
25 there's --

1 THE WITNESS: So I want to --

2 MR. CAMPBELL: Objection. There's no
3 foundation. There's no foundation in the record that
4 Amanda worked for ESI Security.

5 BY MS. PALMER:

6 Q. Is it your understanding that Amanda worked for
7 ESI Security?

8 A. Yeah, she has a work card for ESI Security.
9 And she's listed on their roster as well as employed by
10 them currently.

11 Q. Okay. Thank you. So what was your
12 understanding about Amanda's response, where she wrote
13 "I want to ensure my department is a hundred percent
14 compliant"?

15 A. If you're talking about "my department," ESI
16 Security, that's the department you work in, that I was
17 familiar with you working in, that I worked with you for
18 the last couple of months on. And she is the human
19 resources manager, and these two individuals worked
20 underneath her. That was my understanding of the email.

21 Q. So what does that tell you about the status of
22 those two individuals?

23 A. That they were employed by ESI Security.

24 MR. CAMPBELL: I'm going to object that that's
25 a lack of -- there's lack of foundation for that.

1 MS. PALMER: She's testifying that's her
2 opinion.

3 MS. BRADLEY: I mean there should be a ruling
4 on the objection if he's objecting, and then you're
5 saying she's testifying that is her opinion, Mr. Chair.

6 BOARD CHAIRMAN ZANE: The objection will be
7 overruled.

8 BY MS. PALMER:

9 Q. So did you eventually get back to her?

10 A. Yes. She emailed me on June 24th. I got back
11 on June 29th.

12 Q. What took you so long to respond?

13 A. May and June is our busiest time of the year.
14 As my position as Chief of Operations, I handle a lot of
15 work card applications for the staff as well. There's a
16 lot of audits, festivals, events that go on during that
17 time. So. And there was a Board meeting at that time
18 as well. So, yes, there was a delay. But, essentially,
19 the main reason was, between May and June, I was on
20 medical leave for about 50 percent of that time. So I
21 wasn't even in the office.

22 Q. So when you responded back to her on June the
23 29th, what is it that you told her?

24 A. So I do apologize for my delay, and I --
25 essentially, regarding her suggestions that she had

1 made. And I let her know that I discussed it with the
2 deputy attorney general. But I would let her, I was
3 letting her, as well as Hendi, who was included on the
4 email, know that I will be issuing a citation to them,
5 or a violation to them that Haslip -- and I explained
6 why. Haslip's email address lists "at ESI Security."
7 That's her email, Haslip underscore at ESI Security.

8 The email signatures advertise ESI Security
9 Services. No mention whatsoever of Events Services. It
10 lists Nevada PILB license number 700, as well as her
11 California PPO license number. And I appreciate her
12 explaining their responsibilities recruiting for both
13 companies. But without being properly registered, if
14 she's employed, if she's recruiting for one company,
15 essentially, she'd be employed by.

16 So that was the reason for me issuing a
17 citation. And I included the citation in this email as
18 well.

19 Q. Okay. Thank you.

20 A. M-hm (affirmative).

21 Q. I would like to turn your attention to
22 Exhibit 9 again.

23 So, I believe, the objection on the table is a
24 relevance objection. Here's where this is relevant. It
25 explains why, in addition to the violation that was

1 issued and what she's testified to, why that particular
2 violation, that the background information that she has,
3 why she actually issued the violation. And that
4 background information pertains to the amended
5 complaint.

6 MR. CAMPBELL: Well, counsel, I don't see the
7 relevance of the background. This matter today has been
8 noticed to determine whether Haslip and Magri were, in
9 fact, in violation of Nevada Revised Statutes. You and
10 I have also stipulated, and I can read into the record,
11 if you want, that that's all this hearing relates to
12 now.

13 It seems like you're trying to dredge up things
14 that were resolved through the stipulation. I don't
15 see -- she's testified as to the background, as to how
16 the stipulation was led up to, and I let that go. But I
17 don't see why we have to have this complaint. It's not
18 relevant to the proceeding as to whether or not
19 Ms. Haslip and Mr. Magri are, in fact, in violation of
20 the statute under the alleged allegations.

21 MS. PALMER: Well, there are some admissions
22 from the company in their answer to the amended
23 complaint --

24 MR. CAMPBELL: Again --

25 MS. PALMER: -- that are certainly --

1 MR. CAMPBELL: -- that amended complaint, that
2 amended complaint was settled by the stipulation. The
3 stipulation took care of that amended complaint.

4 MS. PALMER: I understand that, but, but it
5 does not change the admissions. And the admissions are
6 important, because we are -- our contention is that ESI
7 Security, Mr. Hendi, and all of his various companies,
8 are structured. So it is relevant to show how he
9 conducts business.

10 MR. CAMPBELL: I just don't see the relevance.
11 I'll stand on my objection.

12 MS. BRADLEY: Okay. And, Mr. Chair, you would
13 rule on that, then.

14 BOARD CHAIRMAN ZANE: Whether or not number 9
15 should be admitted? The objection is on number 9,
16 correct?

17 MS. BRADLEY: Yes.

18 MS. PALMER: Yes.

19 BOARD CHAIRMAN ZANE: Yeah. Okay. It should
20 be admitted.

21 (Exhibit 9 was admitted.)

22 MS. BRADLEY: Okay. So the objection is
23 overruled, then.

24 BOARD CHAIRMAN ZANE: Thank you.

25 ///

1 BY MS. PALMER:

2 Q. Okay. So the violation that you issued in
3 Exhibit 1, why was -- oh, yeah. I apologize.

4 For ease of distribution, do you have any
5 objection to also including your answer to the amended
6 complaint? That would be number 10.

7 MR. CAMPBELL: You mean the answer on behalf,
8 that Mr. Smith filed on behalf of ESI Security Services?

9 MS. PALMER: Yes, that's correct.

10 MR. CAMPBELL: Same objection. I just don't
11 see the relevance of documents that led up to a
12 stipulation that settled all these matters.

13 MS. BRADLEY: Okay. So.

14 BOARD CHAIRMAN ZANE: And number 10 will be
15 admitted as well.

16 MS. BRADLEY: Well, excuse me. I think --

17 BOARD CHAIRMAN ZANE: Objection overruled.

18 MS. BRADLEY: Well, I mean the objection was
19 relevance.

20 And, Ms. Palmer, did you say why 10 is
21 relevant? I didn't hear that.

22 MS. PALMER: 10 is the answer to the complaint
23 that's been admitted as Exhibit Number 9. And it
24 contains party admissions that go directly to our
25 contention that ESI Security and Events Services, that

1 it's really functioning as one, one is the alter ego of
2 the other, and that they all function as one company,
3 and there are important admissions in the amended
4 complaint. So there's party admissions.

5 MS. BRADLEY: Okay. And then, Mr. Chair,
6 you're saying that's overruled and then admitted, right?

7 BOARD CHAIRMAN ZANE: Well, since we admitted
8 9, I believe 10 writes the rest of the chapter.

9 MS. BRADLEY: Okay.

10 BOARD CHAIRMAN ZANE: And it's only fair that
11 it be included.

12 MS. BRADLEY: Okay.

13 (Exhibit 10 was admitted.)

14 MS. PALMER: Is everybody ready?

15 MS. BRADLEY: So.

16 MS. PALMER: Okay. Yeah?

17 BOARD CHAIRMAN ZANE: Proceed.

18 BY MS. PALMER:

19 Q. Okay. Regarding Exhibit Number 9 -- I
20 apologize. Not Exhibit Number 9. Referring to Exhibit
21 Number 1, the notice of violation, why was this
22 particular violation of concern to you?

23 A. I guess, two reasons. One, it was after the
24 stay in March. But most importantly was the date that
25 C.A. Magri was hired. He was hired on April 25th of

1 '16. That was on a Monday. The very next day was the
2 day that the director went out to conduct a presentation
3 for them, on the 26th. So hired on a Monday. The
4 following day we did a presentation. And it wasn't
5 brought to my attention until an investigator brought it
6 to my attention about a month and a half later, no,
7 about a couple weeks later, that someone was continuing
8 to work without a work card, which is the whole crux of
9 the problem that we're continuing to have with ESI.

10 Q. Okay. I would like to turn your attention to
11 Exhibit Number 11. Page 86. You recall receiving this
12 email?

13 A. It goes back a while, but, yes.

14 Q. And what is the -- when is the email dated?

15 A. April --

16 MR. CAMPBELL: I'm going to --

17 THE WITNESS: -- of 2014.

18 MR. CAMPBELL: Let me interpose an objection,
19 relevancy again, relevance on the questioning. Again,
20 this is an email from almost two years ago, over two
21 years ago, that, apparently, was part of the
22 administrative action leading up to the -- what led to
23 the stipulation. So I don't see any relevance to the
24 questioning of this, of a correspondence two years ago
25 related to a matter that has, again, been stipulated to

1 and settled.

2 MS. PALMER: Okay. The relevance, for one
3 thing, is that you have an employee who holds the
4 similar title to the two employees in question. The
5 signature block is similar. And this will go back to,
6 again, our contention that the company is simply
7 structuring and moving employees where they need to, in
8 whatever capacity they need to, to avoid the Chapter 648
9 requirements.

10 MR. CAMPBELL: Well, counsel, now you're
11 testifying. This document speaks for itself. The
12 relevance isn't -- it's not discerned that it's
13 structured the company to avoid anything. It's an email
14 on a notice of violation that's two years old. I just
15 don't see the relevancy.

16 MS. PALMER: Well, you didn't allow me. You
17 objected before I had the opportunity to make it
18 apparent what the relevance would be, so I explained
19 what the relevance would be.

20 BOARD CHAIRMAN ZANE: The objection's
21 overruled. I believe that the exhibit's relevant.

22 (Exhibit 11 was admitted.)

23 MS. BRADLEY: So that's Exhibit 11, and it's
24 admitted.

25 MS. PALMER: 11.

1 MS. BRADLEY: Okay.

2 BY MS. PALMER:

3 Q. Ms. Irizarry, you said that you recall
4 receiving this email?

5 A. Yes.

6 Q. Would you please explain what this email is.

7 A. Okay. So this is an email from Deanna Hall.
8 She is an employee coordinator for ESI Security
9 Services. Similar, consists of her email signature as
10 before. It lists PILB license number 700. But she's
11 responding to my request. I had sent two violations.
12 And if you look on the following page, the violation I
13 sent them, they had appealed it, and they gave reasons
14 why they believed that it needed to be appealed. And
15 I'm responding to that appeal.

16 And what it is, is you see it's the
17 individual's name who the violation was issued for.
18 It's like their name and a number or their work card
19 number. Right below that, it's what ESI originally
20 stated in their appeal. And below that is my statement
21 as to probably a follow-up question or if I think they
22 should be included in the violation or not still.

23 Q. Okay. I'd like to turn your attention to
24 page 87. And towards the bottom of the page there's an
25 individual. Kevin Moran is listed in the violation.

1 I'm sorry. Kevin Moran is listed on the this email.

2 Was he listed in the violation?

3 A. Yes, he was.

4 Q. And so you've indicated that ESI's response is,
5 the first one, where it says "ESI indicated"; and your
6 response follows that?

7 A. Correct.

8 Q. Where does your response begin?

9 A. Where I say "Mr. Moran completed."

10 Q. Okay. And would you please read what it is
11 that you wrote?

12 A. What I wrote? "Mr. Moran completed his
13 application indicating he worked for ESI and Shred-it
14 since 2008, without indicating any lapses in employment.
15 It is even indicated on his employee roster, which is
16 maintained by ESI, that he worked for your company from
17 January 12th, 2009, ending September 30th of 2013.
18 Therefore, if he left to work for another company after
19 2009, why are his employment dates indicating something
20 differently?"

21 Q. So what do you mean when you say "ESI and
22 Shred-it"?

23 A. So on Mr. Moran's application he fills out with
24 us, he listed both companies. Shred-it, at this time is
25 when I became, essentially, aware of the other company,

1 Shred-it. Shred-it, from my understanding, is a
2 document shred-it business. And this individual was
3 indicating that, that he worked for both companies from
4 2009. And at the time I issued the violation, it was
5 2014. Excuse me. And there was no work card in between
6 that time. So he was working for both companies,
7 essentially.

8 Q. I would like to turn your attention to
9 Exhibit 19, which has already been admitted.

10 MR. CAMPBELL: Which exhibit?

11 MS. BRADLEY: 19.

12 BY MS. PALMER:

13 Q. Do you know what these documents -- do you know
14 what these documents are?

15 A. Yes. Secretary of State records.

16 Q. And what did you come to understand about ESI's
17 business practices as a result of issuing your
18 violation?

19 A. So my understand --

20 MR. CAMPBELL: I'm going to interpose an
21 objection. I'm going to interpose an objection. These
22 documents speak for themselves. The, you know,
23 unfounded opinion as to what these documents mean, these
24 documents are Secretary of State records that show
25 different companies' registration. So for this witness

1 to offer some kind of legal opinion about to the effect
2 of these documents from the Secretary of State, that is
3 a totally inappropriate objection.

4 MS. PALMER: That's not what I'm asking her to
5 do. In fact, I'm simply asking her if she was familiar
6 with these documents. She said, yes, that she
7 understands them to be Secretary of State records. And
8 I'm asking her, based on her violation, her violation,
9 the responses that she received to the violation, her
10 investigation, what her belief is about ESI's business
11 practices.

12 MR. CAMPBELL: Same objection.

13 MS. BRADLEY: Okay. So there's been an
14 objection and a response, Mr. Chair. I don't think it's
15 regarding this --

16 BOARD CHAIRMAN ZANE: The objection --

17 MS. BRADLEY: -- being admitted, because it
18 already is. I think, it's the questions --

19 MR. CAMPBELL: Yes.

20 MS. BRADLEY: -- that are being objected to.

21 MS. PALMER: And it might help if I directed
22 her specifically to page 142 of Exhibit 19.

23 BOARD CHAIRMAN ZANE: So the objection is the
24 form of the question and not the documents themselves?

25 MR. CAMPBELL: Yes.

1 MS. BRADLEY: I think, the substance of what
2 was being asked, is what I understand.

3 MR. CAMPBELL: Yes. Could you read that back,
4 the first question she asked.

5 (The Reporter read back.)

6 MR. CAMPBELL: Yeah, I just don't see that
7 she's asking her to make a conclusion from some
8 Secretary of State records about their business
9 practices. That makes no sense to me.

10 MS. PALMER: Counsel, I understand your
11 objection. Let me, let me ask it, another question.
12 I'll take that one off the record for the moment, take
13 it off the table.

14 BY MS. PALMER:

15 Q. If you would refer to exhibit number 142. Is
16 this your understanding of the company Shred-it that you
17 referred to in your email communication on page 86 of
18 Exhibit 11?

19 MR. CAMPBELL: And I just want to make a
20 procedural point here real quick. Mr. Smith is in the
21 room. He's not going to be a witness in this
22 proceeding, but I just wanted to make sure that we
23 didn't -- we weren't crossing any boundaries, because we
24 have the rule of exclusion in.

25 MS. PALMER: I have a concern about that.

1 Because his testimony will be relevant. This, this
2 particular matter will be relevant for the next
3 proceeding.

4 MR. CAMPBELL: Okay. Well, that's why I
5 brought it up. I just wanted to make sure. I just
6 noticed that he walked in the room just one minute ago.
7 And I wanted it to be clear that --

8 MS. BRADLEY: If you go out and to the left.

9 MR. SMITH: Yeah.

10 MS. BRADLEY: You can hang out in the break
11 room.

12 MR. CAMPBELL: He wasn't here earlier, so he
13 didn't know about the rule of exclusion being invoked.
14 So I wanted to make that evident right away, before we
15 went any further.

16 MS. PALMER: Thank you, counsel. I appreciate
17 that.

18 MS. BRADLEY: What was your question? Because
19 I know you were asking her a question.

20 MS. PALMER: So my question was, in Exhibit 11,
21 on page 86, she had just given testimony about ESI and
22 Shred-it. And it was her communication. In her
23 communication, she had referenced that his application
24 indicated he worked for ESI and Shred-it since 2008. So
25 I'm asking her to refer to Exhibit 19, page 142, and I'm

1 asking her if this is the Shred-it company that she was
2 referring to.

3 MR. CAMPBELL: I have no objection to that
4 question.

5 BY MS. PALMER:

6 Q. Okay.

7 A. Yes, it is.

8 Q. And on page 142, who does it indicate is the
9 registered agent for this company?

10 A. Mahmoud K. Hendi.

11 Q. Is he the qualifying agent for ESI Security?

12 A. Yes.

13 Q. And the address listed as resident agent, is
14 that the same address for the business that is ESI
15 Security?

16 A. Yes, it is.

17 Q. And the officers of the company, who's listed
18 as the officers of the company?

19 A. Only himself, Mahmoud K. Hendi.

20 Q. And, in fact, he's the president, the
21 secretary, the treasurer --

22 A. Yes.

23 Q. -- and the director; is that correct?

24 A. Correct. I'm sorry.

25 Q. Okay. So what did you -- what was your belief

1 about ESI's business practices as a result of issuing
2 the violation that you referred to in Exhibit 11, that
3 you issued? This would be C-036-14 or I-157-13, which
4 is reflected on page 86.

5 A. That Mr. Hendi was the owner of multiple
6 businesses located at the same business address as his
7 ESI Security Services business.

8 Q. Did you have an opinion about the employees of
9 one company versus the other company?

10 A. I'm sorry. Can you repeat that?

11 Q. Yes. Did you have an opinion about the
12 employees of one company versus the other company?

13 A. In regards to just Kevin Moran, or just in
14 general?

15 Q. In general. In general.

16 A. At this time, multiple violations had already
17 been issued. So I was coming to understand that when I
18 was speaking to applicants who applied for a work card,
19 that, yes, there was some intermingling between the
20 businesses. Correct.

21 Q. Intermingling between the businesses, what do
22 you mean?

23 A. One individual at one time would work for one
24 company, and then, when an event comes up, they would
25 work for another company. So they would work one time

1 maybe as an usher with -- underneath one entity of his,
2 and then, when it's needed to be security, kind of
3 switch hats and become security. Or vice versa.

4 And with Kevin Moran, this individual, I
5 believe, he was working with the Shred-it company. And
6 then he wanted to get full-time employment. So they let
7 him be a security officer with ESI Security.

8 So it was, it was kind of a switching of when
9 they needed you, they put you where they needed you.
10 And that was the response I continually kept getting
11 when I would speak do applicants. And that was just the
12 beginning of my investigation.

13 Q. So turning back to that email on page 86, do
14 you know who Deanna Hall is employed by?

15 A. My assumption was, based off her email
16 signature, that she was an employee for ESI Security
17 Services. And it lists the license number 700.

18 Q. Now, does Amanda's -- I'm sorry. Yeah, does
19 Amanda's signature block differ from the -- I'm sorry.
20 Does Deanna's signature block differ from the signature
21 block of C.A. Magri, as noted in Exhibit 8 on page 29?

22 A. No, except for their name and title.

23 Q. Okay. I would like to turn your attention to
24 Exhibit Number 12. Do you recall being copied on this
25 email? And I'm sorry. Specifically, page 95?

1 A. Yes, I do.

2 Q. And is this an email that is maintained in the
3 ordinary course of business?

4 A. Yes, it is.

5 MS. PALMER: I would move to have this
6 admitted.

7 MR. CAMPBELL: I'm going to object on
8 relevancy. Same objection as before, the objection of
9 these emails, they're not really showing much.

10 MS. PALMER: Same relevancy.

11 BOARD CHAIRMAN ZANE: Objection overruled.
12 It'll be admitted.

13 (Exhibit 12 was admitted.)

14 BY MS. PALMER:

15 Q. Can you please explain what this email is? Oh,
16 I'm sorry.

17 (The exhibit was passed out.)

18 THE WITNESS: Do you want me to answer it?

19 MS. PALMER: Not yet.

20 THE WITNESS: Okay.

21 MS. PALMER: Are we ready?

22 MS. BRADLEY: I think so. I gave it to
23 Mr. Nadeau.

24 BY MS. PALMER:

25 Q. Okay. Can you please explain what this email

1 communication is?

2 A. Email at the bottom is from one of our
3 investigators. She had -- or she's emailing Mr. Hendi,
4 and cc'd myself, letting him know that she spoke to an
5 applicant, Mr. Folkers, and found that he's working
6 without a work card, even though he says he's a
7 supervisor at ESI since 2013. She's informing him that
8 he needs to be taken off the schedule, because he does
9 not have a work card, he is not in provisional status at
10 the time of the email.

11 Q. And did you receive a response, or did you --
12 so were you copied on a response that she received?

13 A. Yes, I was.

14 Q. And what was that response?

15 A. So Mr. Hendi responds back to the investigator,
16 and cc's myself, and he says that Mr. Folkers is a
17 supervisor with our sister company and that he did a
18 great job for them, so he offered him more
19 responsibilities as a security officer.

20 Q. Do you know what Mr. Hendi means when he says
21 "sister company"?

22 A. By this time, I am familiar with the multiple
23 companies, with the multiple companies that Mr. Hendi
24 owns. So, yes, I'm familiar with the sister company.

25 Q. And what did you believe that sister company

1 was referring to?

2 A. His company that he owns, Events Services.

3 Q. And turning back to Exhibit Number 19 again,
4 this time page 138, is this the company that you're
5 referring to when you say you believe it's Events
6 Services?

7 A. Yes, it is.

8 Q. And who is the registered agent for that
9 company?

10 A. Mahmoud K. Hendi.

11 Q. And the address that listed on the Secretary of
12 State's website, is that the same address as ESI
13 Security?

14 A. Yes, it is.

15 Q. And who are the officers at the corporation?

16 A. The president, secretary, treasurer and
17 director are all listed as Mahmoud K. Hendi.

18 Q. Thank you. And if you would turn your
19 attention to page 94 of that Exhibit 12, turning to
20 Mr. Hendi's response on July 16, 2014, if you would read
21 what he says there, please.

22 A. Mr. Hendi writes "Thank you for your patience.
23 Please find copies for both Mr. Moran and Mr. Watts,
24 Washoe County work cards. When would be a good time to
25 give you a call to discuss one more, one more item?"

1 Q. And is this response referencing Mr. Moran the
2 same Mr. Moran that was listed in Exhibit 11 on page 87?

3 A. Yes.

4 Q. Turning your attention to Exhibit 10 -- I
5 apologize for just a moment.

6 Did you learn anything more about Kevin Moran
7 after Mr. Hendi answered the Exhibit 9 amended
8 complaint?

9 A. If you're talking about what's -- you mean
10 Exhibit 10?

11 Q. Yes.

12 A. Yes. The answer that I was given back in those
13 previous emails was different from after we received his
14 amended complaint.

15 Q. Okay. And I'd like to turn your attention to
16 page 74. About line 10, on page 74, is this the Kevin
17 Moran that we've been referring to?

18 A. Yes.

19 Q. And this is the answer to the amended complaint
20 that was filed in November where we brought these
21 violations forward. And what is it that you learned
22 from the amended complaint?

23 A. To refresh my memory, can you just give me one
24 second to read?

25 Q. Yes.

1 A. Okay.

2 Okay. So. So the amended complaint, their
3 response was different. Because, in my violation, I
4 would explain to them that he's still listed on their
5 roster from 2009 to 2014. There was no lapses where
6 they took him off or added him back and forth. So
7 according to the roster that they keep, they had listed
8 him as an employee. And they weren't disputing that.
9 They were just saying that he had a work card at the
10 time. Here, they're saying, well, no, never mind, he
11 was rehired after he got his work card in March of '14.

12 So the story simply changed. Before, he had a
13 Washoe County card. He should have been working at the
14 time. And then, now it's, well, actually, no, he wasn't
15 working, he didn't provide any security work until he
16 got his work card.

17 Q. Okay. Thank you. I'd like to turn your
18 attention to Exhibit 12, page 93. Do you recall sending
19 this email?

20 A. Yes.

21 Q. Please explain what it is.

22 A. Give me just one moment. It's a long email.

23 Okay. So this is an email that I sent to
24 Mr. Hendi, included Deanna Hall, who I had been working
25 with at the time as well, and the director, and letting

1 Mr. Hendi know that, once again, there were some
2 violations that still have not been resolved and -- and
3 that a written violation, I'm sorry, a written appeal, a
4 verbal conversation has not yet -- he still has not
5 appealed those decisions, so they're just out there
6 pending.

7 But then I go in to note that the violations
8 are still pending and that I'm still receiving -- I have
9 another incident that has been brought to my attention.
10 And I list a Ms. Teresa Vallejos, whom I verbally
11 confirmed that she has worked for -- and I state here,
12 Ms. Vallejos verbally confirmed she has worked for ESI,
13 not Shred-it, multiple times in the past three weeks as
14 a security guard.

15 And I let him know that Ms. Vallejos is now
16 barely getting her work card. And I stated, if she
17 wanted full-time employment, she would need to obtain a
18 guard card. And I'm letting him know that a violation
19 was going to be issued for that. And I tell him to go
20 ahead and please terminate Ms. Vallejos immediately and
21 notify me that he has received this response and that
22 she is terminated.

23 And the last paragraph there, I reiterate,
24 again, that ESI, that ESI -- please make sure ESI does
25 not employ any person, and I kind of then state

1 part-time, seasonal, full-time, per diem, unless they
2 have an active provisional or registered work card
3 issued by the Board.

4 And I state "Merely submitting an application
5 is not sufficient and in violation of Chapter 648.
6 Please ensure all staff, including clerical,
7 dispatchers, ushers, ticket takers, et cetera, have an
8 active provisional work card before they attend any
9 training or start work."

10 Q. And so, in that middle paragraph, beginning
11 with "In addition," when you refer that she confirmed
12 she worked for ESI and not Shred-it, is that the same
13 Shred-it that you had referred to when you were talking
14 about Kevin Moran?

15 A. Yes.

16 Q. And that's the same Shred-it that's listed in
17 Exhibit 19 that indicates that Mr. Hendi is the
18 registered agent, president, secretary, director,
19 treasurer?

20 A. Yes.

21 Q. Okay. I would like to turn your attention to
22 Exhibit 13.

23 MR. CAMPBELL: Did she move 12?

24 MS. BRADLEY: 12 was already admitted before.

25 MR. CAMPBELL: Okay.

1 MS. PALMER: This one hasn't been admitted.

2 BY MS. PALMER:

3 Q. Do you recall sending this email, which, I
4 believe, begins on page 103, and receiving a response?

5 A. Yes.

6 Q. And you keep this document in the ordinary
7 course of business?

8 A. Yes.

9 MS. PALMER: I'd like to have Exhibit 13
10 admitted.

11 BOARD CHAIRMAN ZANE: Any objection?

12 MR. CAMPBELL: The Chair's indulgence for just
13 one minute, Your Honor.

14 BOARD CHAIRMAN ZANE: Thank you.

15 MS. PALMER: It was admitted, correct?

16 MS. BRADLEY: No.

17 MR. CAMPBELL: No.

18 BOARD CHAIRMAN ZANE: Not yet.

19 MS. PALMER: Oh.

20 MS. BRADLEY: He's reviewing it.

21 MS. PALMER: Okay.

22 MR. CAMPBELL: Yes, I'm going to just interpose
23 a continuing objection on any of these documents that
24 predate the stipulation. Again, I think, it's not
25 relevant to this matter. It's been settled by the

1 stipulation. And, in fact, I think, it's prejudicial in
2 this questioning.

3 And so I'm going to just make a continuing
4 objection on any documents about these notices of
5 violations or emails prior to the date of the
6 stipulation.

7 MS. PALMER: I would like to respond to that.

8 BOARD CHAIRMAN ZANE: Okay.

9 MS. PALMER: I'll note that if, if and when we
10 get to the exhibits in -- that ESI is submitting, you
11 will find emails, past emails that occurred before the
12 violation.

13 It goes directly to their defense that Events
14 Services is a separate company, that the employees are
15 not employed by ESI. It goes directly to our position
16 that, in fact, one is just the alter ego of the other,
17 that this is business as usual, continuing as usual,
18 that they are conducting their operations exactly the
19 same way as they conducted them before the stipulated
20 agreement, and they continue to follow the exact same
21 pattern.

22 BOARD CHAIRMAN ZANE: Thank you.

23 I'm going to overrule the objection and speak
24 to the issue of the prejudice specifically. I believe,
25 it's better to allow in the information. I'm sure that

1 the Board has enough background and knowledge not to
2 allow it to be prejudicial or cumulative in its effect,
3 but to only use it as it helps to explain the facts of
4 the case.

5 (Exhibit 13 was admitted.)

6 MS. PALMER: Can you please explain -- oh, I'm
7 sorry. I'll give everybody a chance to get the
8 documents.

9 Are we ready?

10 BOARD CHAIRMAN ZANE: Yes.

11 BY MS. PALMER:

12 Q. Okay. Can you please explain what this email
13 thread is?

14 A. So this is an email that I sent to Mr. Hendi,
15 the human resources department, ESI Security, and Deanna
16 Hall, included the director. It's a month after the
17 previous one we just spoke about, so the following
18 month. And I start the email by telling them, again,
19 it's been brought to my attention, again, that
20 applicants have started working for ESI before they've
21 been given a provisional work card by the PILB.

22 And in this particular one, I mention that
23 receiving copies of -- because, receiving copies of work
24 cards issued by ESI does not allow them to go to work in
25 that security capacity. Because at that time, we were

1 also, I was also noticing that individuals were showing
2 me images of their actual ESI work badge, which listed
3 security guard or dispatcher on them. And those people
4 have not even had a work card yet. So that was brought
5 around the same time as well.

6 But different from the other email, where I
7 spoke to an individual about working without a card, in
8 this email I'm actually speaking to an ESI employee. I
9 spoke to Kylie Pardick regarding an individual,
10 Mr. Taylor-Blower, whose work card status is still
11 pending. He was not given a work card at this time.
12 And I let Kylie know that he is not allowed to work, he
13 is not allowed to go to work, because he has not been
14 issued a work card.

15 And she mentions to me that she spoke -- she
16 spoke about an agreement approved by Mike Hendi which
17 allowed Mr. Taylor-Blower and others to start working.
18 And I explained that even completing an application,
19 having their fingerprints taken and going through the
20 process, they are still not allowed to start working,
21 attend training, go to orientation.

22 And I explained to Mr. Hendi in the email that
23 I told Kylie that there was no such agreement in place,
24 and in violation with the issue for Mr. Taylor-Blower.
25 And I had asked Kylie over the phone if Mr. Hendi could

1 give me a call. So I'm also notifying Hendi that I
2 would like to speak to him.

3 And I end the email by stating how long the
4 process is taking, that to kind of keep in mind, if
5 someone's applying, it takes two to three weeks, so if
6 you do have an event coming up, have them apply in
7 advance. They can go ahead and expedite if they need
8 to. And I'm asking for ESI to respond no later than
9 October 14th that they received this information, that
10 they were aware of the conversation I had with Kylie.

11 Q. Okay. And then, turning your attention to page
12 103, if you would explain your understanding of the
13 response that you received.

14 MR. CAMPBELL: Objection.

15 THE WITNESS: Okay.

16 MR. CAMPBELL: The document speaks for itself.
17 This response is in writing. What, I mean what's her
18 understanding is -- lacks any foundation, because the
19 document speaks for itself.

20 BY MS. PALMER:

21 Q. All right. In your -- in the email response --
22 well, what does Mr. Hendi indicate to you regarding the
23 agreement?

24 MR. CAMPBELL: Same objection.

25 MS. PALMER: It's a party admission. I don't

1 understand what the concern is with her answering the
2 question.

3 MR. CAMPBELL: Because you're asking her for an
4 opinion on a document that speaks to -- that's clear and
5 unequivocal.

6 MS. PALMER: Okay. I'm not -- if I asked for
7 an opinion, I'll withdraw it.

8 BY MS. PALMER:

9 Q. What is it that he stated?

10 A. I'll pretty much read it verbatim. Mr. Hendi
11 states that there's confusion, even with his own staff,
12 that they have several positions that require specific
13 orientation, training and vaccinations, like CPR, AED,
14 first aid, TB testing, and so on. This is a two- to
15 three-week process that a selected few, that a select
16 few of us go through in order to start working at
17 certain locations. There are -- they are on our
18 payroll, and they get paid for their orientation,
19 training and vaccinations, but they do not work any
20 actual security hours. We asked for an opinion on this
21 before the Board, and they stayed this process -- I'm
22 sorry. And we started this process. And we were told
23 that as long as we do not work security hours, they
24 have -- and they have submitted their fingerprints and
25 payment, we would be compliant. And he's asking if

1 anything's changed.

2 And then, the second to the last paragraph, the
3 other issue that we can clarify is applicants are
4 waiting to get their PILB cards. We may use them as
5 ushers, ticket takers, cashiers, parking attendants and
6 other information centers. They are different, they
7 have different uniforms and badges. Once they receive
8 provisional status, we move them to security positions.
9 So, yes, they work for us, but not in a security
10 capacity. I understand the confusion. We'll work
11 harder to communicate better with you in the future.

12 That's his response to me.

13 Q. All right. And then, turning your attention to
14 the last communication in the thread, that's noted on
15 page 102 of Exhibit 13, what is it that you are telling
16 Mr. Hendi?

17 A. I do let him know that there was delay. I did
18 want to speak with the director and other staff just to
19 make sure that no erroneous information was being
20 disseminated. And I clarify, again -- that's the second
21 line -- all employees of a licensee must have an active
22 registered work card before they're allowed to work,
23 attend orientation or conduct training.

24 And I'm just reiterating what I've been,
25 continuously been telling them for the past couple

1 months. And I cite NRS 648.140. This goes for ushers,
2 ticket takers, clerical staff, persons at checking
3 stations, dispatchers and, basically, anyone on your
4 payroll must have an active work card.

5 On the other hand, many of the people we've
6 spoken to stated that they have performed guard
7 functions while at -- and I give specific examples of
8 where I'm knowing that they're working. Nightclubs, car
9 shows, rodeos. Because as I'm speaking to these
10 individuals, these applicants that are applying, they're
11 telling me exact locations, events that they're working
12 at. So I'm giving him exact examples of what I'm aware
13 of, and before they were given work cards.

14 And I let them know that, similarly, some have
15 ESI work cards, those ones that I was explaining before
16 that say security guard, dispatchers, before they're
17 even given a PILB work card. And that that is a major
18 concern of ours, and violations, violations would be
19 issued for those people that don't have cards. And
20 that's regardless of what their duty or title says.
21 They must have a work card if they're working for ESI
22 Security.

23 Q. Okay. I would like to turn your attention to
24 Exhibit 10, on page 76, bottom of the page, beginning on
25 line 21. If you would read that to yourself.

1 Are you finished? And then, on page 78 of the
2 same exhibit, Tyra Hinson, on line 5.

3 This is their answer to the amended complaint,
4 is that correct, the amended complaint that was filed in
5 November of 2015?

6 A. Yes.

7 Q. Based on these admissions, what is your opinion
8 about whether Mr. Hendi took your admonition, that's
9 indicated in Exhibit 13, seriously?

10 MR. CAMPBELL: Objection. I think that based
11 on his admission, that is a mischaracterization of his
12 answer.

13 MS. PALMER: Okay. We'll let the document
14 speak for itself.

15 BY MS. PALMER:

16 Q. How do you -- what is your opinion about
17 whether or not he heeded your advice?

18 A. He didn't, because he's still listing that,
19 just in these two instances that you've pointed out,
20 they're working in other positions, an usher or a ticket
21 taker. Even though they're not working security,
22 they're still working in another position for the
23 company. That's not what it states here.

24 MS. PALMER: Okay. I'm almost done with this
25 witness.

1 BY MS. PALMER:

2 Q. I'd like to turn your attention back to
3 Exhibit 3, specifically page 13, at the bottom.
4 According to this document, when did you notify
5 respondent about your concern with C.A. Magri and Sarah
6 Haslip?

7 A. May, May 9th, 2016.

8 Q. All right. I would like to direct your
9 attention to Exhibit 14, specifically page 106. Do you
10 recognize this email?

11 A. Yes.

12 Q. When is it dated?

13 A. May 5th, 2016.

14 Q. And was this before you notified respondent
15 about your concern about C.A. Magri and Sarah Haslip?

16 A. Yes.

17 Q. Who does C.A. Magri identify his employment
18 with?

19 MR. CAMPBELL: Objection. I don't think --

20 THE WITNESS: C.A. Magri --

21 MR. CAMPBELL: -- this document -- objection.

22 I don't think this document identifies an employer.

23 MS. PALMER: Okay.

24 BY MS. PALMER:

25 Q. Who is listed in Mr. Magri's signature block

1 as -- what company is listed, okay, in Mr. Magri's
2 signature block?

3 A. Mr. Magri's signature block says that he's a
4 recruiting specialist, ESI Security Services. Email
5 address, I'm sorry, the website address is ESI Security
6 Services. The license number is license number 700,
7 which is ESI Security Services. And it lists a
8 California PPO license as well.

9 Q. And who is -- what company is identified in his
10 email address?

11 A. His actual email address is Events Services.
12 So it's Magri, underscore, C at Events Services dot com.

13 MS. PALMER: Okay. And -- wait. Did we admit
14 this document?

15 MS. BRADLEY: No.

16 MR. CAMPBELL: No.

17 MS. PALMER: Did you have any objections with
18 this document?

19 MR. CAMPBELL: I don't have an objection with
20 it.

21 MS. PALMER: Okay. And what about -- because,
22 I think, the rest of them are all similar. All the rest
23 of the documents are similar to this one. Do you have
24 any objections to 14 through 17?

25 MR. CAMPBELL: Counsel, if you'll give me one

1 minute, I'll take a look at them.

2 MS. PALMER: Thank you.

3 And I'm sorry. I only need 14 through 15. I
4 apologize.

5 MR. CAMPBELL: I have no objection to those
6 two.

7 MS. BRADLEY: So 14 and 15 are admitted, then,
8 Mr. Chair?

9 BOARD CHAIRMAN ZANE: 14 and 15 will be
10 admitted.

11 MS. BRADLEY: Thank you.

12 (Exhibits 14 and 15 were admitted.)

13 BY MS. PALMER:

14 Q. And if you would, then, turn your attention to
15 page 107 of Exhibit 14. Do you recognize this email?

16 A. Yes.

17 Q. When is it dated?

18 A. April 4th of '16.

19 Q. And who is it from?

20 A. Sarah Haslip.

21 Q. And was this -- did this email predate your
22 notification to them about your concern with them not
23 being registered with ESI Security?

24 A. Yes.

25 Q. And who does Ms. Haslip -- all right. I guess,

1 let me rephrase it based on the previous question on the
2 other document. What company is listed in the signature
3 block for Ms. Haslip?

4 A. Ms. Haslip lists ESI Security Services, their
5 phone number, Security Services' website, their license
6 number 700, California PPO license.

7 Q. Okay. I'd like to turn your attention to
8 Exhibit 15, document number 121. Do you recognize this
9 email?

10 A. Yes.

11 Q. When is it dated?

12 A. May 18th, 2016.

13 Q. And was this email after you had notified
14 respondent about your concern with C.A. Magri and
15 Ms. Haslip not being registered?

16 A. Yes.

17 Q. And who does C.A. Magri identify his employment
18 with?

19 A. Nothing's changed. It still says ESI Security
20 Services, their business license on there as well.

21 Q. And if you would turn to page 119, do you
22 recognize these emails?

23 A. Yes.

24 Q. And when are they dated?

25 A. One is May 23rd, 2016. That's from Sarah

1 Haslip. And one from Magri on May 10th, 2016.

2 Q. And were these emails after you had notified
3 them of your concerns --

4 A. Yes.

5 Q. -- with not having security -- or work cards?

6 A. Yes. Excuse me.

7 Q. And who does Ms. Haslip identify her employment
8 with?

9 A. Her signature, once again, indicates ESI
10 Security Services. Their license number is indicated
11 there as well, 700.

12 Q. And her email address?

13 A. Her email address is different than Magri. Her
14 email address is her last name Haslip underscore S at
15 ESI Security dot U.S.

16 Q. And how about Mr. Magri; who does he identify
17 his employment with?

18 A. Same thing, ESI Security Services, based on his
19 signature.

20 Q. And his email address?

21 A. His email address is at Events Services dot
22 com.

23 Q. Okay. And I'd like to turn your attention to
24 page 117 and 118. Do you recognize this email chain?

25 A. Yes.

1 Q. When is it dated?

2 A. June 7th, 2016.

3 Q. And this was after you had notified the
4 respondent regarding the work card concern?

5 A. Correct.

6 Q. Who does Mr. Magri identify his employment
7 with?

8 A. Same thing, ESI Security Services, license
9 number 700. And the email address is still at Events
10 Services dot com.

11 Q. And turning your attention to page 116 of
12 Exhibit 15, do you recognize this email?

13 A. Yes.

14 Q. And when is it dated?

15 A. June 28th, the day before I actually issued the
16 violation.

17 Q. So this was after you had notified them of your
18 concern, of course?

19 A. Correct.

20 Q. And who does Mr. Magri identify his employment
21 with?

22 A. Still the same, ESI Security Services, license
23 number 700. And the email address is at Events Services
24 dot com.

25 Q. And then I would like to turn your attention to

1 pages 109 through 115. That'll take you a second, but
2 let me know if you recognize those emails.

3 A. 109 to 115?

4 Q. Yes.

5 A. Okay. Yes, I do.

6 Q. And when are they dated?

7 A. It's a stream of emails or multiple emails from
8 July 13th of '16 to July 20th of '16.

9 Q. And are these emails after you issued the
10 violation in Exhibit 1?

11 A. Yes, it is.

12 Q. Who does Mr. Magri identify his employment
13 with?

14 A. And that changes. So Magri changes his email
15 signature to say recruiting specialist, which is the
16 same, but for Events Services, they take off the license
17 number, and it has Events Services' logo. But the email
18 address is still at Events Services dot com.

19 Q. And who does Ms. Haslip identify her
20 employment with? And, I believe, it's page 111 that I'm
21 referring to.

22 A. So Ms. Haslip does not have an email signature,
23 but she's included on page 111. And the email address
24 hasn't changed. It's still at ESI Security dot U.S.

25 MS. PALMER: Thank you. I'm finished with this

1 witness on direct.

2 MR. CAMPBELL: Would this be a good time for a
3 break --

4 BOARD CHAIRMAN ZANE: Mr. Campbell.

5 MR. CAMPBELL: -- Mr. Chairman?

6 BOARD CHAIRMAN ZANE: Yes, sir.

7 MR. CAMPBELL: Could we take a short break? I
8 think, the court reporter's --

9 BOARD CHAIRMAN ZANE: How long?

10 MR. CAMPBELL: She's been going for a couple
11 hours here.

12 BOARD CHAIRMAN ZANE: Ten minutes, 15?

13 MR. CAMPBELL: Ten minutes. Thank you.

14 BOARD CHAIRMAN ZANE: Ten minutes. Ten
15 minutes, please.

16 MR. CAMPBELL: Off the record.

17 * * * * *

18 (A break was taken, 11:38 to 11:55 a.m.)

19 * * * * *

20 BOARD CHAIRMAN ZANE: Okay. Let's go back on
21 the record.

22 I believe, the witness is yours, Mr. Campbell.

23 MS. BRADLEY: We did want to discuss, just
24 before we get started. It's about five minutes to noon.
25 So is the Chair's pleasure that we finish up with this

1 witness?

2 I don't know, I don't know if you'll be able to
3 finish your case before a lunch break, Ms. Palmer.

4 MS. PALMER: You're asking me, or you're asking
5 the Chair?

6 MS. BRADLEY: Well, I was asking you, I guess,
7 because I know --

8 MS. PALMER: My case -- sorry. I understand
9 what you're saying now. My case, I only have one other
10 witness, and that one will be much quicker than this
11 witness, like, I'd say, less than a quarter.

12 MS. BRADLEY: Okay. So then maybe, if we can,
13 we might want to finish with your case and direct, and
14 then call the lunch break. Would that be acceptable?

15 MR. CAMPBELL: It depends on the
16 cross-examination.

17 MS. BRADLEY: Okay.

18 MR. CAMPBELL: Let's just, let's get through
19 it.

20 MS. PALMER: Play it by ear, anyway.

21 MS. BRADLEY: And what we're starting to think,
22 too, and I don't know if this actually -- but we're kind
23 of starting to think we may not be able to get to the
24 hearing today, depending on how things go, or at least
25 we won't be able to finish it, most likely. So, I

1 guess, we'll have to see. And that does affect that
2 one --

3 MS. PALMER: It's possible.

4 MS. BRADLEY: -- that witness that's not
5 available all day. So. Okay.

6

7

CROSS-EXAMINATION

8 BY MR. CAMPBELL:

9 Q. Okay. Just barely good morning, Ms. Irizarry.

10 A. Good morning.

11 Q. Can you look at Exhibit Number 19?

12 A. Your exhibits or --

13 Q. No, I haven't marked any exhibits yet. And, I
14 think, for clarification, we're going to use letters
15 when I introduce exhibits.

16 A. Okay.

17 Q. So it's Exhibit 19 that's already been
18 introduced.

19 A. Okay.

20 Q. Okay. And I understand you reviewed the
21 Secretary of State's filing with -- as part of your
22 investigatory job duties, right?

23 A. Yes.

24 Q. Okay. And you see that you looked at
25 Mr. Hendi's various companies. Okay. Is that correct?

1 A. Correct.

2 Q. Okay. And the first one in this tab we see, we
3 see an Events Services, Inc., right?

4 A. Yes.

5 Q. And then we go to the next tab, we've got
6 Shred-it Reno, Inc.?

7 A. Correct.

8 Q. And then there's a Quick Print, Inc. And then
9 there's ESI Security Services. Do you see that?

10 A. Yes.

11 Q. Okay. Are there any, did you find any
12 companies in your search that are required to go by the
13 moniker ESI?

14 A. Well, ESI Security Services?

15 Q. Yeah, the question is, did you find any
16 companies that their only moniker was ESI?

17 MR. INGRAM: We lost audio there for a minute.

18 MR. CAMPBELL: Yeah, I was asking her.

19 BY MR. CAMPBELL:

20 Q. Did you find any companies where their name was
21 ESI, period?

22 A. Just ESI, period? No.

23 Q. Okay. And in the plethora of emails that were
24 introduced earlier, you refer to the -- you refer to the
25 companies that you were investigating as ESI, right?

1 A. ESI Security.

2 Q. No.

3 A. Not just ESI.

4 Q. Let's look at some of your emails. Let's look
5 at Exhibit Number 12.

6 A. Okay. What page?

7 Q. It's the first page, Bates stamp number 93.

8 A. Yes, correct. So --

9 Q. You write --

10 A. -- on that third paragraph?

11 Q. Yes, let's go to the third paragraph. It reads
12 "In addition" --

13 A. Correct.

14 Q. -- "another incident has been brought to my
15 attention. Ms. Teresa Vallejos verbally confirmed that
16 she worked for ESI, not Shred-it"?

17 A. Correct, I don't mention the word "Security,"
18 correct.

19 Q. Okay. Do you know the difference between
20 Events Services, Inc. and ESI Security Services?

21 A. In what context, when -- do I know the
22 difference?

23 Q. Yeah, do you know what they do that they're
24 different companies?

25 A. I know that they're two separate entities, yes.

1 Q. Do you know what Events Services does?

2 A. From my understanding, they're -- they say that
3 they're a services entity that does the nonguard card
4 positions.

5 Q. Okay. And they don't, they don't require PLIB
6 registration, right?

7 A. If they're not performing a security function,
8 they would not.

9 Q. Okay. And they're not employees of ESI
10 Security Services?

11 A. Well, that's what, in my opinion, that was a
12 question.

13 Q. No, if an employee is doing nonsecurity
14 function and doesn't have a PLIB card, are they working
15 for Events Services, Inc. or event -- ESI Security
16 Services?

17 A. If they're not performing a guard function,
18 they don't have a work card, paid by ESI Services, then
19 they would be an Events Services. Because you keep
20 saying ESI Services. You throw me off. Events
21 Services. And they would be an Events Services
22 employee.

23 Q. Okay. Now, when this lady, Mrs. Teresa
24 Vallejos, confirmed that she worked for ESI, were those
25 her exact words, or did she say Events Services, or did

1 she say ESI Security Services, Inc.?

2 A. If she' saying ESI, it would be ESI, I mean, to
3 me, the securities function.

4 Q. Okay. But yet there is no ESI.

5 A. Especially --

6 Q. There is no ESI company. In fact, the initials
7 for Events Services, Inc. is ESI, right?

8 A. I don't know that. Well, I guess, yes,
9 essentially, in writing, that is correct. But I only
10 know ESI Security and Events Services, not ESI Services
11 that you're mentioning.

12 Q. When you interview people, and they say "I'm
13 working for ESI," do you ask them what company they're
14 really working for?

15 A. Well, yeah, that's the question, what company
16 do you work for, and what type of duties do you perform?

17 Q. And when they say "I'm working for ESI," do you
18 say "Do you mean ES, Events Services, or do you mean
19 Events Services, Events -- ESI Security Services?"

20 A. As my investigation went on, I would very much
21 particularly question which company they were actually
22 being paid by as well, yes.

23 Q. Okay. And do you verify employment records, or
24 when they tell you that they work for ESI, you just
25 assume they mean Events -- ESI Security Services, Inc.?

1 A. No, I wouldn't make the assumption. My
2 follow-up question would usually be asking them, what
3 work badge do you have? And that was also helping me
4 gap, bridge the gap. And if they gave me a work badge
5 that says ESI Security, that would assist me in that.

6 Q. And did you get a work badge in every single
7 case when you interviewed people and asked them who they
8 worked for?

9 A. I got a majority of them. But if I didn't get
10 an actual work badge, I would ask them, if they had the
11 badge on them, if they could refer to that. Because I
12 wanted to particularly know what the title below their
13 picture was listed as.

14 Q. Now, I think, you just said -- so if a person
15 works for Events Services and does ticket takers,
16 parking attendants, things like that, they are not
17 required to get a work badge, right?

18 A. Not necessarily -- well, yes and no. If you're
19 being a parking attendant, but you're prohibiting
20 someone's access, you could still be a parking
21 attendant, but if you're prohibiting access, that would
22 require a work badge.

23 Q. If they're not doing any security function?

24 A. Correct. So if you are not doing any security
25 function whatsoever, and you worked for Events Services,

1 you would not be required to have a work card, correct.

2 Q. Okay. So you think you're a hundred percent
3 clear on the difference between the two companies, ESI
4 Security Services and Events Services, Inc.?

5 A. Correct, I know what the duties are, yes.

6 Q. Do you know the difference between the two
7 companies and how you identify the two monikers?

8 A. Yes.

9 MR. CAMPBELL: Okay. Could you hand the
10 witness the -- I think, it's my tab 38. And that would
11 be, that would be the respondent's Exhibit A.

12 MS. PALMER: I have an objection to this
13 exhibit. It's a pending matter on a potentially future
14 contested hearing and should not be brought to the Board
15 prior to that matter being on record.

16 MR. CAMPBELL: It goes to the heart of the
17 cross-examination that I'm doing right now as to whether
18 this witness even understands the difference between the
19 two companies. Because if you look at the exhibit,
20 she's -- this company that she charges doesn't exist.
21 There is no ESI Services.

22 BOARD CHAIRMAN ZANE: What's the number again,
23 please?

24 MS. BRADLEY: It's tab 38 in the big binder.

25 MS. PALMER: Board counsel, I'm not even sure,

1 though, that the Chairman should be reviewing this.
2 This is a pending matter that could become a contested
3 hearing.

4 MS. BRADLEY: Yes, I know.

5 MR. CAMPBELL: But, and all the other matters
6 were old matters that are not part of a contested
7 hearing, but you wanted it in as part of the -- to lay a
8 foundation for the witness's understanding. It's the
9 same thing I'm doing here.

10 And, actually, it's Exhibit -- it's tabbed 39.

11 MS. BRADLEY: Oh, I was on the wrong one.
12 Okay. Well, so it's tab 39. I mean I agree that we
13 don't want to taint the Chair, but I also think that he
14 may need to look at what is being discussed, so that he
15 can rule on it.

16 So Mr. Campbell would like it admitted, and he
17 says it goes to the heart of the cross-examination to
18 talk about, I guess, the witness's understanding of the
19 relationship and the functions of the companies.

20 And, Ms. Palmer, your objection is that this is
21 related to the matter that -- the other matter that
22 hasn't been heard yet?

23 MS. PALMER: Yes, and my concern is, and this
24 is borne out by what happened this morning, that if the
25 Board members see this document, that this will serve as

1 a basis for an objection to their being able to hear a
2 contested matter at a future date.

3 So if he would like to and his client would
4 like to waive any due process concerns that could result
5 when this matter does or does not come before the Board,
6 then I won't object.

7 MR. CAMPBELL: But we've already --

8 MS. PALMER: But without that --

9 MR. CAMPBELL: We've already -- I think, we've
10 already appealed this, certain portions of this matter.

11 MS. BRADLEY: Okay. Wait. So this is not the
12 citation at issue, this is a different citation?

13 MR. CAMPBELL: Yes.

14 MS. BRADLEY: Okay.

15 MR. CAMPBELL: And we've appealed, and it's
16 been set, I think, for the December hearing.

17 MS. BRADLEY: Okay. I mean since -- I was
18 going to say, because you want it in, if you're willing
19 to --

20 MR. CAMPBELL: Yeah, I'm not waiving any due
21 process rights. I mean this is just a notice of
22 violation that was sent to my client in the regular
23 course of business. We've appealed it. It's been set
24 for a hearing. I don't think we're waiving any due
25 process rights. I want to cross-examine this witness

1 related to her understanding of the two companies,
2 because I think it's vital to the understanding of this
3 case, whether she gets it.

4 MS. PALMER: Again, she -- he's going to be
5 eliciting testimony on something that may become a
6 contested matter. So I strongly object, unless he's
7 willing to waive any due process concerns that he has
8 with these members.

9 These are the same Board members. So,
10 essentially, what he'll be doing is getting a free pass
11 by disqualifying all of the Board members from being
12 able to hear this contested matter, because they will
13 have already heard evidence pertaining to it.

14 So I don't know how we would rectify that, if
15 every Board member, with the exception the one who isn't
16 here, who by himself would not constitute a quorum --
17 there would be nobody to hear the matter.

18 MR. CAMPBELL: I don't have any objection --

19 MS. PALMER: So how do we rectify that?

20 MR. CAMPBELL: I have no objection to the Board
21 members looking at this document. Obviously, I must not
22 if I'm introducing it.

23 MS. PALMER: Well, but my concern is what
24 you're going to do in December.

25 MS. BRADLEY: Well, my question would be,

1 though, what's the scope of the questions you intend to
2 ask, meaning you're not going to ask about the substance
3 of it?

4 MR. CAMPBELL: No, not at all. I'm asking
5 about the charging document and how she's -- who she's
6 charged in this document.

7 MS. BRADLEY: Okay.

8 MR. CAMPBELL: That's it.

9 MS. BRADLEY: Okay. It's up to you, Mr. Chair.

10 MS. PALMER: So, again -- okay. Given -- I'm
11 sorry. Given his limited questioning, is he -- are they
12 accepting responsibility for any due process? I don't
13 want them to come back later and say "Well, no, now you
14 can't hear it because."

15 MR. CAMPBELL: We're not going to, we're not
16 going to say that you can't hear it because you looked
17 at the notice of violation. You can put that on the
18 record.

19 MS. PALMER: Not just because they looked at
20 the notice of violation, but whatever testimony
21 surrounds the notice of violation. I have no idea what
22 that's going to be or what my questions will need to be
23 in response.

24 MR. CAMPBELL: Well, right now, the only
25 question I'm going to ask is about why she charged it as

1 ESI Services, a company that I don't know exists.

2 MS. BRADLEY: So, I mean, Mr. Chair, it's up to
3 you. I guess, what I'm -- what my thought is, that this
4 be allowed in a limited capacity. Because I do not -- I
5 agree that we do not want to get into the merits of
6 another pending matter.

7 But if you want that ask questions about what
8 the document says, you know, as regards to the business
9 name --

10 MR. CAMPBELL: That's it.

11 MS. BRADLEY: -- I think, that can be
12 permitted. And I'm going to jump in, though, if I think
13 we're getting to the merits, because we can't do that
14 today.

15 I don't know what you think, Mr. Chair. It's
16 your call, not mine, but.

17 BOARD CHAIRMAN ZANE: Well, I would tend to
18 overrule the objection based upon that limitation and
19 based upon the record's been made here about the future
20 events with regard to this particular document.

21 MS. BRADLEY: Okay.

22 BY MR. CAMPBELL:

23 Q. Ms. Irizarry, do you have that, do you have
24 that tab 39 in front of you still?

25 A. Do I? Yes.

1 MR. CAMPBELL: Okay. And I'd move -- I guess,
2 I -- I don't know if I formally moved. I just had an
3 objection. So I'll move it into evidence now. And, I
4 think, and the objection's been overruled.

5 MS. BRADLEY: Yeah.

6 BOARD CHAIRMAN ZANE: So admitted.

7 MS. PALMER: Okay. So this would be? I'm
8 sorry. How are we marking this?

9 MR. CAMPBELL: This would be respondent's
10 Exhibit A.

11 MS. PALMER: And just for the record, I
12 provided the Board members up here with Post-it notes so
13 that they would be able to do that, since they weren't
14 previously marked.

15 MR. CAMPBELL: Yeah, I --

16 MS. BRADLEY: I can grab some, or are you
17 comfortable just writing on the top of it?

18 BOARD MEMBER NADEAU: I'm okay.

19 MS. BRADLEY: Yeah, we're okay, I think, just
20 writing Exhibit A on the top.

21 MS. PALMER: Okay.

22 MR. CAMPBELL: Do you have exhibit stickers?

23 The court reporter has --

24 THE REPORTER: Can we go off the record, so I
25 can talk?

1 MR. CAMPBELL: Yes.

2 (There was a discussion off the record
3 regarding marking exhibits.)

4 (Exhibit A was marked for identification and
5 has been admitted.)

6 THE REPORTER: Okay. I have just marked
7 Exhibit A for Mr. Campbell.

8 MS. BRADLEY: And, I believe, the Chair's
9 already said it's admitted, so.

10 BY MR. CAMPBELL:

11 Q. Well, Ms. Irizarry, do you have Exhibit A in
12 front of you?

13 A. Yes.

14 Q. And in this case, you see the middle of the
15 paragraph, this is -- well, the bottom, it's your
16 signature on the charging document, right?

17 A. Correct.

18 Q. And you cited ESI Services?

19 A. That's correct.

20 Q. Is there an ESI Services company that you know
21 of that's been filed with the Secretary of State?

22 A. No, there is not.

23 Q. So did you mean Events Services?

24 A. Correct, there was a typo.

25 Q. A typo, or did you understand the difference

1 between the two companies?

2 A. No, I understand the difference, just ESI's
3 been brought up so much that in the process of making
4 the citation, I wrote ESI instead of the word Events.

5 Q. You testified earlier in your direct
6 examination that Amanda Hegdahl worked for ESI Security?

7 A. Was that a question? Yes.

8 Q. Yeah, is that correct?

9 A. Correct.

10 Q. Is that your testimony, was that correct?

11 A. Yes.

12 Q. Okay. Did you verify that, who Amanda Hegdahl
13 actually worked for?

14 A. She's listed on their roster, and she does have
15 a work card, so, yes.

16 Q. But do you know whether she's employed by ESI
17 Security or Events Services?

18 A. Her being listed on their roster, that's them
19 telling the Board that she is employed by them. They
20 list the hire date. Correct.

21 Q. So that roster says these are our -- these are
22 employees of ESI Security Services, or does it say --

23 A. Yes, it does.

24 Q. -- these are registered employees?

25 A. Well, you cannot list them on that roster

1 unless they have a work card. So she has a work card.
2 They listed her on the roster as an ESI employee.

3 Q. So you spoke about the -- Mr. Ingram having a
4 workshop or a meeting at ESI Security Services on, I
5 think it was April 26 of this year. Did you attend that
6 meeting?

7 A. I did not attend the meeting, no.

8 Q. Okay. So you don't know what Mr. Ingram told
9 the employees or the ownership of ESI Security Services
10 at that meeting?

11 A. I was not there to listen to him, but I
12 prepared the Power Point.

13 Q. Okay. And the Power Point, that's Exhibit
14 number -- I think, we've already stipulated it.

15 MS. PALMER: It's state's Exhibit 18.

16 MR. CAMPBELL: 18, yes.

17 BY MR. CAMPBELL:

18 Q. Have you got Exhibit 18 in front of you?

19 A. Yes, I do.

20 Q. Okay. And you said, your testimony is you
21 prepared these for Mr. Ingram?

22 A. Majority of them, I gave him the majority of
23 them, and he went over, reviewed, added whatever he felt
24 necessary.

25 Q. So if we look at the first page, 130, it looks

1 like two slides. Who need a work card? Do you see
2 that?

3 A. In the middle, yes.

4 Q. Okay. And it says "All employees of a licensee
5 are required to have a work card," and then you cite the
6 statute, "regardless of their title or position, ushers,
7 ticker takers, human directional, clerical,
8 dispatchers." Do you see that slide?

9 A. Yes, I do.

10 Q. And it says "employees of a licensee," right?

11 A. Correct.

12 Q. Does it say anything about affiliates of a
13 licensee or private, you know, or contracted for a
14 licensee or anybody else that would be doing work for
15 their -- for a licensee?

16 A. No.

17 Q. And let's go to the next page, no, a couple
18 pages down.

19 Strike that. Let's move back. Let's move to
20 Exhibit Number 3, which has been admitted, which is
21 the -- starts with the email string from yourself to
22 Gaylene Silva, and it goes on and continues with Amanda
23 Hegdahl's email string.

24 A. Okay.

25 Q. I think, in your Exhibit 8 -- you don't have to

1 look at that, but that's an email, I think, you
2 testified earlier that you indicated you and Mr. Ingram
3 needed to talk about the matter. Do you remember that?
4 It was one of the --

5 A. I'm sorry. What was that question?

6 Q. Yeah. In one of these emails in this string,
7 and I'll locate it -- I forget which one it is -- you
8 wrote to Ms. Hegdahl that you needed to talk to Kevin
9 Ingram about this matter?

10 A. That's correct.

11 Q. And that was about May 10th, I believe, was
12 that email?

13 A. Correct.

14 Q. It was in response to Ms. Hegdahl's email to
15 you?

16 A. Yes.

17 Q. Okay. Did you talk to Mr. Ingram about it?

18 A. Yes.

19 Q. And tell me about that discussion.

20 A. He and I discussed my findings, what I believed
21 to have been occurring, again, since this day, and we
22 agreed, before we moved forward, we wanted to discuss
23 with legal counsel.

24 Q. That's it?

25 If you don't recall, I mean I'm just trying to

1 test your memory to see what you recall from that
2 meeting.

3 A. Oh, I'm sorry. I responded. You probably
4 didn't hear me. I said that I discussed with Mr. Ingram
5 what I was noticing, again, after the stay of
6 revocation, the same situation was happening like before
7 the stay. And we agreed that before we moved toward, we
8 would get legal counsel's opinion.

9 Q. Okay. And without disclosing legal counsel's
10 opinion, why did you need legal counsel opinion?

11 A. Because this was a very sensitive subject that
12 we have been dealing with, and I wanted to make sure
13 that before I moved forward actually issuing a
14 violation, because I am not an attorney, I had to make
15 sure that I was aware of what was mentioned in that
16 stay, that I was following the rules, essentially.

17 Q. Okay. Well, let's talk about that stay.
18 You're talking about the stipulation?

19 A. I believe so, yes. Is that what it is? The
20 March 10th stay of revocation?

21 Q. Okay. Yeah, that's the stipulation. And so
22 you're --

23 A. Okay.

24 Q. That's one of the items you wanted to make sure
25 you were in compliance with that stipulation by when you

1 issued this NOV?

2 A. Yes, but I know there was some -- I'm sorry.
3 Yes, because I knew there were some negotiations that
4 had gone on between both parties.

5 Q. Did you know that any facts that arose prior to
6 that stipulation were not to be basis for revocation of
7 Mr. Hendi's license?

8 MS. PALMER: Objection. Misstates the
9 agreement.

10 MR. CAMPBELL: I'll read it to you, then. I
11 think, it -- has it been marked as an exhibit?

12 MS. BRADLEY: The stipulation?

13 MR. CAMPBELL: Yeah.

14 MS. BRADLEY: Because you're referring to this,
15 right (showing)?

16 MR. CAMPBELL: Yeah.

17 MS. BRADLEY: Oh, wait. No, this isn't the
18 stipulation. This is today's meeting.

19 MR. CAMPBELL: No.

20 MS. BRADLEY: Oh. So.

21 MR. CAMPBELL: I don't know that we marked it.
22 It is part of our case, in the second case.

23 MS. BRADLEY: Second.

24 MS. PALMER: Exhibit 20.

25 MR. CAMPBELL: Yes. Okay. It's Exhibit 20.

1 MS. BRADLEY: That's the order? Okay.

2 MR. CAMPBELL: I think, the stipulation
3 followed.

4 MS. BRADLEY: Okay.

5 MR. CAMPBELL: Yeah, I think, we already
6 stipulated to that.

7 BOARD CHAIRMAN ZANE: Yes, it's in.

8 MR. CAMPBELL: Okay.

9 BY MR. CAMPBELL:

10 Q. Ms. Irizarry, do you have that, page 12 of that
11 stipulation, which is Bates-stamped 165?

12 A. One moment. Okay.

13 Q. And do you see where it says "For purposes of
14 this agreement and establishing whether an act that
15 would constitute grounds for discipline has occurred,
16 only those facts giving rise to the notice of violation
17 that occur after the stipulation is entered into will be
18 considered"?

19 So you were at least vaguely aware of this,
20 that there was some kind of a carve-out or a stay?

21 A. That a possible violation had occurred,
22 correct.

23 Q. No, that there was a stipulation that somehow
24 may have carved out certain violations?

25 A. No, I'm sorry. That, that is why I refer to my

1 legal counsel. So, no, I'm not too familiar with this.

2 Q. Okay. Well, you said you knew there was some
3 kind of a stay. What did you mean by that?

4 A. Yes, that I knew that there was an agreement
5 between both parties that PILB had to agree to some
6 certain stipulations. For instance, I needed to notify
7 their attorney when I sent out violations. And there
8 were some other formalities that I need to abide by. So
9 that's why, whenever something was to arise, this being
10 the first incident, since I'm not an attorney, I refer
11 to our legal counsel for her opinion.

12 Q. Again, I don't want to get into conversations,
13 the gist of the conversation, but did you -- were you at
14 all ever informed that there was, in fact, a -- I'll
15 call it a carve-out provision in this section 12 that
16 pretty much carved out not actual notices of violation,
17 but any facts what arose before the stipulation would
18 not be used to vitiate or to void the stipulation; were
19 you aware of that?

20 MS. PALMER: I'm going to renew my objection.
21 It misstates the document that specifically discusses
22 pending violations and references those two pending
23 violations that are outside of the disciplinary matter,
24 which, if not withdrawn by the PILB, they may appeal.

25 So your characterization of an ongoing

1 violation and whether or not that would constitute a
2 violation misstates the evidence.

3 MR. CAMPBELL: Okay. Well, the document speaks
4 for itself. There's only those facts giving rise to the
5 notice of violation that occur after the stipulation was
6 entered into will be considered. So.

7 BY MR. CAMPBELL:

8 Q. Did you know that Ms. Haslip was sending emails
9 to the PLIB Board starting in approximately April of
10 2015?

11 A. I knew of Ms. Haslip. But like I said, I don't
12 access the PLIB Board regularly, only when someone
13 forwards me something from them.

14 Q. Okay. So you just knew generally that she was
15 sending emails to the PLIB Board prior to --

16 A. Correct.

17 Q. -- to March 10? And did you ever look at any
18 of those emails and see what she was doing?

19 A. I know what she was doing, but I never checked
20 her for -- to see if she had a work card, no.

21 Q. Excuse me. I didn't understand you. I didn't
22 hear you, your answer.

23 A. I'm sorry. I knew what the emails that she was
24 sending us were with regards to, but I never looked to
25 see if she had a work card with us, no.

1 Q. Why not?

2 A. It's not my -- well, it's not my normal course
3 of business to, every email I receive, to check on
4 single person to see if they have a work card.

5 Q. Well, those ESI emails, or those emails that
6 she sent identified the same thing as to her signature
7 line and email address as the ones that you were using
8 as part of your notice of violation in this case, right?

9 A. Correct, so her email signature and email
10 address, yes, what I noted, correct.

11 Q. So her email signature and email address prior
12 to March of 2015 were the same as her email signature
13 and address after March of 2015?

14 A. Correct, we established that, yes.

15 Q. Okay. But prior to, you never checked back
16 in -- prior to March of 2016, whether or not she had her
17 PLIB card?

18 A. Nope. It was never on my radar until an
19 investigator brought it to my attention.

20 Q. I thought you just said that you knew that she
21 had sent emails prior to March of 2016?

22 A. Correct. I'm sorry. What I meant by that is,
23 it was never my intention to go to our PILB general
24 in-box to see what emails we were reviewing from ESI to
25 check, to make sure that the emails we were receiving

1 from them were from actual PILB work card employees.

2 Q. Again, ESI, who are you talking about?

3 A. ESI, when I refer to ESI, I'm referring to the
4 Security, what I know by license number 700.

5 Q. Why don't we, for clarity of the record, try to
6 make sure we got a clean record and say Events
7 Service -- I mean ESI Security Services, Inc. and Events
8 Services. Can we agree to that?

9 A. Okay. Yes.

10 Q. So did your knowledge of the -- Ms. Haslip's
11 emails prior to March of 2015, did you know that prior
12 to March, or did this come to your attention after March
13 of 2016?

14 A. Did I know what?

15 MS. PALMER: Yes, that was going to be my
16 objection. The question wasn't clear.

17 BY MR. CAMPBELL:

18 Q. Yeah, I just want to be clear for the record.
19 You said you knew that Ms. Haslip had sent emails to the
20 PLIB prior to March of 2016?

21 A. Yes.

22 Q. Okay. When did you become aware of that?

23 A. Couldn't give you an exact timeframe. I
24 believe, I had dealt with Ms. Haslip, one of my numerous
25 previous emails in the past, with one of my previous

1 violations, but I don't know which one.

2 Q. Okay. So was your knowledge of her sending
3 emails to the PLIB prior to March of 2016?

4 A. Yes, I believe, I was aware of it then, that
5 she had sent us emails.

6 Q. And were you also aware that other
7 recruiting-type people from Events Services or ESI
8 Security Company had sent emails to the Board prior to
9 March of 2016?

10 A. No, except for Amanda Hegdahl.

11 Q. Okay.

12 A. Oh, and I'm sorry, and Deanna Hall.

13 Q. Okay. And you knew that prior to March of
14 2016?

15 A. Correct.

16 Q. And Deanna was not a PLIB-registered employee,
17 right?

18 A. I believe, she does have a work card, but I'm
19 not certain.

20 Q. Okay. Well, let's go back to the email stream
21 between you and Ms. Hegdahl, which is Exhibit Number 3.

22 So we start out at the very back of the
23 document. It's Bates-stamped 14. This was your first
24 email stream to Ms. Hegdahl regarding this issue?

25 A. Yes.

1 Q. Okay. And you have, you say you have a
2 question about these two employees and performing
3 recruiting services but do not have PLIB, tell me how
4 long they have been employed. And you list their two
5 names. Now, you knew Sarah Haslip was already employed
6 by the company prior to March of 2016, right?

7 A. I knew she was -- yes.

8 Q. Okay. And then we go to the next, the next
9 email, and on Bates stamp 13. And Ms. Hegdahl responds
10 to you, right, looks like the next day, on May 10th?

11 A. Correct.

12 Q. Okay. And she tells you that both employees
13 are employed under Events Services, Inc., right?

14 A. That's her first statement, correct.

15 Q. Yeah. So that doesn't say that they're
16 employed by ESI Security, right?

17 A. I'm sorry. You cut out.

18 Q. That doesn't say that they're employed by ESI
19 Security Services, right?

20 A. No, it does not say that, no.

21 Q. So it says they're employed. And you've --
22 I'll ask you about your interpretation of the word
23 "under." But it says they're employed under Events
24 Services, Inc. So did that tell you that they were
25 employees of Events Services, Inc.?

1 A. No, that's not what her statement says, no.

2 Q. Okay. Did you follow up and ask to see any,
3 any documentation as to who their paychecks came from,
4 who their W-9s came from, anything like that?

5 A. That, that's not very relevant. It's based on
6 if they're engaging in the business of, in their duties.

7 Q. Yeah, you don't get to make relevance. Your
8 counsel can make those for you.

9 A. Well --

10 Q. I'm asking you --

11 A. I'm sorry.

12 Q. -- did you follow up and ask specifically to
13 see any employment records?

14 A. No.

15 Q. So as you sit here today, do you know who
16 they're actually employed by, who writes their checks,
17 who issues their W-9s?

18 MS. PALMER: Compound question. Objection.

19 MR. CAMPBELL: Okay. I'll break it down.

20 BOARD CHAIRMAN ZANE: Can you break it up,
21 please?

22 MR. CAMPBELL: Yes.

23 BY MR. CAMPBELL:

24 Q. Do you know who they're actually employed by,
25 as we sit here today?

1 A. Well, your term "actually employed by" is, I
2 guess, a little vague. I believe, they're employed by
3 Events Security.

4 Q. Okay. Have you ever seen a paycheck --

5 A. I'm sorry. ESI.

6 Q. -- to them from ESI Security Services?

7 A. No. Like I say, I did not ask for payroll
8 records.

9 Q. Okay. And then Ms. Hegdahl goes on and says
10 "They recruit for both companies." What did you
11 understand that to mean?

12 A. They -- just like she said, they hold the
13 responsibility for recruiting for both companies. It's
14 as it states.

15 Q. In your previous testimony on direct, when you
16 said "under" represented a red flag, were you saying
17 that you were assuming that "under" meant they didn't
18 actually work for Events Services, Inc.?

19 A. No, just simply that it's a red flag, it's a
20 concern of mine that she used the word "under."

21 Q. Okay. And it implied to you that they may not
22 work for Events Services, Inc.?

23 A. Yes, that could possibly be implied, correct.

24 Q. Okay. But you never checked to make sure who
25 they actually worked for?

1 A. Well, that, this is me questioning who are they
2 working for and what they're doing.

3 Q. And then she tells you they're employed under
4 Events Services, Inc. And my question --

5 A. Okay.

6 Q. -- is you never followed up to find out if your
7 assumption that they were not working for Events
8 Services, Inc., and instead working for ESI Security
9 Services, you never followed up on that assumption to
10 make sure who they worked for?

11 A. Like I stated in the past, who pays them and
12 their duties is what the whole problem that we have,
13 that I have with the company, someone paying them, but
14 certain positions and the duties they're performing is
15 the problem.

16 MR. CAMPBELL: I'll strike that as --

17 THE WITNESS: So, no, I found out that they
18 worked for --

19 MR. CAMPBELL: That's asked to be stricken as
20 nonresponsive.

21 THE WITNESS: Okay.

22 MR. CAMPBELL: Could you read back the
23 question.

24 MS. PALMER: Could you repeat, could you read
25 that back.

1 (The Reporter read back.)

2 BY MR. CAMPBELL:

3 Q. Yes or no?

4 MS. PALMER: That's a bad question. Objection
5 to the form of the question. It's not even a sentence.

6 BY MR. CAMPBELL:

7 Q. You never -- did you ever check who Ms. Haslip
8 and Mr. Magri actually worked for?

9 MS. BRADLEY: Are you --

10 MR. CAMPBELL: Yeah, are you looking to counsel
11 for an answer, or are you going to --

12 MS. BRADLEY: No, I was just looking to see
13 if --

14 THE WITNESS: Well, I want to see if she's
15 going to object or not. So, no.

16 BOARD CHAIRMAN ZANE: Go ahead and answer the
17 question, please.

18 THE WITNESS: So your question is? I'm sorry.
19 I apologize. Can you say it one more time?

20 BY MR. CAMPBELL:

21 Q. You never -- did you ever check who Ms. Haslip
22 and Mr. Magri were actually employed by?

23 A. This is me checking, who are they employed by.

24 Q. Okay. That's it, the response from
25 Mrs. Hegdahl?

1 A. Yes, asking Mrs. Hegdahl and including
2 Mr. Hendi in the email is me asking.

3 Q. You say you asked who they worked for. Where
4 did you ask, where did you ask who they work for?

5 A. I'm sorry. The words that were used were, can
6 you tell me who, the following people have been employed
7 by ESI Security. That was my question I had asked them.

8 Q. You just made an assumption that they worked
9 for ESI Security Services?

10 A. I'm sorry. You cut out. Can you say that one
11 more time? I apologize.

12 Q. You just made an assumption in your original
13 question that they worked for ESI Security Services?

14 A. No, because I asked a question. I didn't
15 assume it. I was asking.

16 Q. Okay. And then let's go down, back to
17 Ms. Hegdahl's response. And she says "We do have them
18 identify their email signatures under ESI to alleviate
19 any confusion with potential candidates." Did you
20 understand what she was telling you there?

21 MR. INGRAM: We're having problems with the
22 digital back and forth here. So oftentimes, when you
23 start talking, we don't hear it, and we're getting a
24 digitized screen. So I apologize. We didn't hear the
25 last comments.

1 MR. CAMPBELL: I'll rephrase. Tell me if you
2 didn't get it all right.

3 BY MR. CAMPBELL:

4 Q. Ms. Hegdahl then next responds to you "We do
5 have them identify their email signatures under ESI to
6 alleviate any confusion with potential candidates." Did
7 you hear that okay?

8 MR. INGRAM: (Nodded head affirmatively.)

9 THE WITNESS: Yes, that's what it says.

10 BY MR. CAMPBELL:

11 Q. Okay. What did you understand that to mean?

12 A. Just that, as it reads, that they identify both
13 companies to identify any confusion with potential
14 candidates.

15 Q. And --

16 A. And so they --

17 MR. INGRAM: Sorry. You're cutting out again.
18 Mary, could you --

19 MR. CAMPBELL: I didn't say anything. I was
20 waiting for her to finish her answer.

21 THE WITNESS: Oh. No, I'm done.

22 BY MR. CAMPBELL:

23 Q. So it appears that it was --

24 MR. INGRAM: Mr. Chair, may I request staff to
25 see if we can get this fixed?

1 BOARD CHAIRMAN ZANE: Yes, we need to take a
2 break.

3 MR. INGRAM: Thank you, Mr. Chair.

4 Mary, will you do me a favor and go contact
5 Rick and let him know that we're having problems here in
6 the south, that the screen is showing the little digital
7 squares, and we're not hearing all that's being said
8 from the north?

9 MS. KLEMME: Yes.

10 MR. INGRAM: Thank you.

11 MR. CAMPBELL: Are we off the record?

12 MR. INGRAM: Thank you, Mr. Chair.

13 BOARD CHAIRMAN ZANE: Do you want to take a
14 recess?

15 MS. BRADLEY: I thought that's what he said.
16 I'm sorry.

17 MR. CAMPBELL: Can we take a recess?

18 MS. BRADLEY: Do you want to take a lunch
19 break?

20 MR. CAMPBELL: Yes.

21 MS. BRADLEY: Okay. So maybe we should take
22 our lunch break now. Would that be acceptable with
23 everyone?

24 BOARD CHAIRMAN ZANE: When do we want to come
25 back?

1 (There was a discussion off the record
2 regarding what time to resume.)

3 * * * * *

4 (A recess was taken, 12:43 to 2:14 p.m.)

5 * * * * *

6 BOARD CHAIRMAN ZANE: All right. Yeah, we're
7 back on the record now, please.

8 And for the record, Member Flynn had to depart
9 the meeting. We still have a quorum.

10 MR. CAMPBELL: I have a procedural question.
11 Is your Board allowed to review transcripts, when
12 they're not at a hearing, to make a determination and
13 things like that?

14 MS. BRADLEY: It can be done. Often, not all
15 Board members are comfortable with that. There are
16 Board members who will recuse if they didn't hear the
17 entire hearing. So it's really up to the Board member.
18 But, yes, it certainly can be done.

19 So, I mean, as of this minute, there are three
20 Board members, which is a quorum.

21 MR. CAMPBELL: M-hm (affirmative).

22 MS. BRADLEY: So we would be permitted, under
23 the open meeting law, to continue. And most likely --
24 you know, again, it sort of depends on if the parties
25 have a strong feeling on it. But most of the time, in

1 my experience, the Board members don't want to do that.
2 So the ones that stay through the whole thing are
3 usually the ones that decide it.

4 MR. CAMPBELL: Okay. My concern is we have
5 three Board members now, and if someone else has to drop
6 out after, we may not have a quorum here for a decision.

7 MS. BRADLEY: Well, yeah, and that could be a
8 problem. But for now, we have the three. And assuming
9 these three are all able to make -- I mean if we can't
10 finish today, able to make a subsequent meeting, we
11 would still have a quorum to decide.

12 Does Board staff have a position on -- I'm not
13 sure how you handle that, when somebody leaves. Do they
14 review the transcript and then still participate, or?

15 MR. INGRAM: This is the first time that this
16 occurred in the four years I've been here.

17 MS. BRADLEY: Okay.

18 MR. INGRAM: And, I think, I'd have to leave it
19 up to the Chairman to decide whether or not he felt
20 that, you know -- whether he wanted to move forward with
21 the three Board members in attendance. I know both
22 Board members down here said that they're available till
23 whenever we need to go tonight.

24 Mr. Nadeau, do you have any conflict with
25 staying beyond 5:00 p.m., if need be?

1 MS. BRADLEY: I'm not sure we're allowed to do
2 that. I could check. I was under the impression that
3 we had to leave the room. Because like there's no
4 security and no other -- I mean maybe. I just don't
5 know. But I was under the impression that we can't have
6 public folks coming and going after hours.

7 I can check, though.

8 MR. INGRAM: Yeah, Chairman, that was done here
9 in the past, in this room.

10 BOARD CHAIRMAN ZANE: Oh, in Carson City?

11 MR. INGRAM: In Carson City, yes. Okay. Yeah,
12 maybe that's something we need to -- well, I mean we can
13 go until -- I mean we still have, what, two and a half
14 hours available till 5:00.

15 MS. BRADLEY: Yeah.

16 MR. INGRAM: I mean that would be my
17 suggestion. But, Chairman, that would be your decision.

18 BOARD CHAIRMAN ZANE: Well, the issue would be
19 whether or not Member Flynn would care to render a
20 decision. But I don't know that I would have any
21 ability to restrict it, and whether or not that would be
22 an issue on our record later on.

23 MS. BRADLEY: Yeah, I think, it's a decision
24 for the individual Board member to make. And I've had
25 this happen recently with Real Estate, where we had

1 hearings that went more than one day, we had a three-day
2 meeting, and we ended up having two commissioners not
3 decide because they weren't there for the full thing.
4 And that was their decision. And part of it, also, may
5 have been the transcript wasn't available, because we
6 were doing it those days. So they just opted not to
7 decide.

8 But I agree that if we finish this matter
9 today, we have a quorum of three that can decide it.

10 Mr. Nadeau did want to talk to me, I think, in
11 the hallway. So we might take just a quick minute to do
12 that.

13 BOARD CHAIRMAN ZANE: Okay. Please.

14 (There was a period off the record, 2:19 to
15 2:21 p.m.)

16 MS. BRADLEY: So if we want to go back on
17 record. We had our consultation in the hallway. And, I
18 think, we're ready to proceed here.

19 BOARD CHAIRMAN ZANE: Okay. We'll go back on
20 the record, please.

21 Mr. Campbell, you had something?

22 MR. CAMPBELL: Yeah. I have an objection to
23 continuing with just three. I know there's a quorum.
24 But my concern is that I do think -- I don't think we're
25 going to finish today. And so if, for some reason, one

1 of the three existing Board members doesn't attend the
2 continued hearing, we would, obviously -- and the other
3 Board members are not comfortable with rendering a
4 hearing from a transcript, that we will have wasted the
5 rest of this hearing and, you know, at a great expense
6 to my client, and not be able to have a quorum to
7 actually decide this case, for what's about a two-hour
8 window here, two-and-a-half-hour window.

9 So I just, I think, with only three, it's like
10 having a jury without an alternate sitting in the box.
11 You're not going to have your quorum if something
12 happens.

13 And I'm just, I'm pretty sure we're not going
14 to finish today. So our continued hearing, if one of
15 the three Board members can't attend, we will not have a
16 quorum that has listened to the entire case. And that
17 concerns me, especially from a resource and from getting
18 a good record and getting a clean record on this thing.

19 MS. BRADLEY: And so just to recap, I think,
20 where we are, we were with Ms. Palmer's first witness on
21 cross. So we still have maybe -- I don't know how long,
22 but some time with her.

23 And then you have one more witness, I believe.
24 And then Mr. Hendi.

25 MS. PALMER: That's correct.

1 MS. BRADLEY: And Mr. Hendi has four witnesses.

2 MR. CAMPBELL: Correct.

3 MS. BRADLEY: So it's really up to you,
4 Mr. Chair. You know, I --

5 MS. PALMER: Well, I would like to finish, you
6 know, our case in chief. And, I think, that can be done
7 in the time remaining.

8 MR. CAMPBELL: Well, my concern is the same,
9 though. If one of the Board members here today cannot
10 attend a continued hearing, we will not have a quorum of
11 Board members who have heard actual live testimony. And
12 we don't know whether absent Board members will be
13 willing to review the transcript and render an opinion.

14 MS. PALMER: Well, there's always any number of
15 possibilities can happen. We're here. We've expended,
16 also, a significant number of resources. And we would
17 like to at least finish our case in chief.

18 MR. CAMPBELL: Yes. And we have a record, we
19 have a good record so far with four Board members. So
20 that's not my concern, that we're wiping out what we've
21 done today. My concern is, going forward, that,
22 ultimately, we may -- we wouldn't have a quorum of
23 people who have heard everything on a continued basis.

24 MS. PALMER: And the next time that we come
25 before the Board, it may be four different members and

1 one of the members who is here today won't be there, so
2 the new member wouldn't have heard the beginning part of
3 the testimony.

4 Again, you can come up with any number of
5 things that might happen. But we have to deal with what
6 we have. We have a quorum. There's no reason not to
7 proceed.

8 MS. BRADLEY: Mr. Chair or Board members, do
9 you have thoughts?

10 BOARD CHAIRMAN ZANE: For me, it's a 50/50. I
11 understand the position that Mr. Campbell's making. But
12 at the same time, we're here, we're able to proceed. It
13 would just be whether or not Board Member Flynn, at a
14 later date, could make his mind up based upon a reading
15 of the transcript or whether or not he would be willing
16 to do so.

17 So it would be my inclination to proceed.

18 MS. PALMER: Would that be something, could we
19 make an inquiry -- I believe that Board Member Flynn is
20 reachable -- and find out how he feels about that?

21 MS. BRADLEY: I mean, if that's what, you know,
22 the preference of the parties and the Chair is, we could
23 certainly ask him. I mean I -- you know, it's how
24 comfortable he would be, is he going to be able to
25 attend the next meeting and, you know, whether the

1 parties have an objection or thoughts about whether or
2 not someone should read a transcript or not. I mean, I
3 guess, there are several variables there. There's no
4 case law that I'm aware of that prohibits it.

5 MR. INGRAM: I can, I can make sure, when this
6 comes to the next hearing, that all parties are
7 available, with Mr. Campbell, with the Board. The only
8 reason that we weren't able to move this to the 7th or
9 8th is because Mr. Campbell had informed us that he will
10 be out of the country during that time. So that's why
11 we tried to accommodate it today.

12 So, as the Executive Director, I'm responsible
13 for scheduling the rooms, the conference equipment, and
14 all of the Board members. I'd be happy to work in
15 conjunction with Mr. Campbell and Mr. Hendi to make sure
16 that the next date that's selected, that all parties
17 would be able to attend, to include Mr. Flynn, if he so
18 choose to agree to base his decision on review of the
19 transcript today.

20 Would I have an opportunity to call him?

21 MS. BRADLEY: Okay. I mean do you have an
22 objection or anything you want to put on the record
23 about whether or not he can read the next couple hours
24 and -- I mean I don't know.

25 MR. CAMPBELL: Could we take a break?

1 MS. BRADLEY: Sure.

2 MR. CAMPBELL: We're off the record.

3 BOARD CHAIRMAN ZANE: We're going to have a
4 break for five minutes?

5 MR. CAMPBELL: Just one minute, one or two
6 minutes.

7 * * * * *

8 (A break was taken, 2:27 to 2:35 p.m.)

9 * * * * *

10 MS. BRADLEY: Okay. We're ready, if they are.
11 Sorry.

12 MR. NADEAU: Mr. Chairman?

13 MR. INGRAM: Back on the record, Mark.

14 BOARD CHAIRMAN ZANE: Yes, sir.

15 You're ready? Okay.

16 MS. PALMER: I'm ready.

17 BOARD CHAIRMAN ZANE: You're ready. Okay.

18 MS. BRADLEY: So.

19 BOARD CHAIRMAN ZANE: Who's up?

20 MR. CAMPBELL: Well --

21 MS. BRADLEY: I just clarified. I just wanted
22 to discuss it with my supervisor, the issue of Member
23 Flynn reading a transcript. And it's really the call of
24 Mr. Flynn. There's nothing prohibiting it in the law.
25 So that's how we would advise Mr. Flynn. It's his call

1 to read that transcript and make the decision he feels
2 appropriate. And then, certainly, if you want to
3 address that. That's just what my thought is.

4 MR. CAMPBELL: Well, I'm going to stand on my
5 objection on continuing for other two hours today. And
6 I'll tell you primarily why. This proceeding could
7 ultimately result in my client losing his license, which
8 would put five or six hundred people out of work. This
9 is a very important matter for us.

10 I think, we probably should have been told that
11 one of the Board, Board Member Flynn was not going to be
12 here this afternoon. I think, that -- you know, we're
13 entitled to due process for a very important matter
14 here. And we're sitting here in a vacuum knowing not
15 what might happen and what prejudicial error might
16 occur. For two hours of hearing time, I just, I'm not
17 willing to waive my objection.

18 So I'm going to stand on my objection. I
19 think, it's too important a matter to assume that he
20 might read it or not or assume that all the Board
21 members would have a full and fair record to give my
22 client due process at some future point, when they
23 weren't, you know, when they weren't here.

24 MS. PALMER: So, to be clear, we're not here
25 deciding the revocation. We are here on appeal of a

1 citation violation.

2 We have a quorum. That's all that you're
3 entitled to. And Mr. Flynn may not be there at the next
4 meeting. Any one of the Board members may not be there.
5 We had a Board member pass away earlier this year, who
6 was here on the first time around. There's just no
7 guarantees with anything.

8 So we have a quorum. I think that we will be
9 prejudiced if we do not get through, particularly this
10 witness, who's here. She also has potential medical
11 issues where she won't be available.

12 And we need to do what we can. Every time that
13 we come before this Board, there's some excuse why we
14 need to continue or delay or postpone, or whatever,
15 every single time. And, I think, it's, again, part of
16 the game.

17 MR. CAMPBELL: This is not a game. This is a
18 real-time situation where we weren't informed that the
19 fourth Board member wasn't going to be here.

20 I would be fully willing to proceed. I'm not
21 trying to delay this proceeding. I'm making a record
22 that, I think, my client's due process rights are being
23 violated. And if the Board wants to continue, I've made
24 my record. But, I think, there's a due process issue
25 here, to save two hours of hearing time.

1 MS. PALMER: And we were not aware that the
2 Board member wasn't going to be here, either. So that
3 should be on the record as well.

4 MS. BRADLEY: So, Mr. Chair, I think, it's your
5 decision whether you want to proceed. You know, my
6 advice is it's up to you. We do legally have a quorum.
7 And so the open meeting law permits us to continue. And
8 there's also a quorum of the Board, as directed by
9 statute, which can make decisions. And there's nothing
10 prohibiting Mr. Flynn, or another Board member, for that
11 matter, from reading the transcript and participating
12 should the matter not be decided today.

13 But, again, it's up to you. You know, I'm
14 guessing, most likely this matter's going to be
15 appealed. And so that might be something you would
16 consider. You know, but it's up to you. So.

17 BOARD CHAIRMAN ZANE: I'd ask for any input
18 from either one of the Board members.

19 I'll take it, or just leave it up to me. It
20 doesn't matter.

21 BOARD MEMBER COLLINS: I don't see any reason
22 that we should not proceed with the testimony here.

23 BOARD CHAIRMAN ZANE: Mr. Nadeau?

24 MS. BRADLEY: I think, you should say what you
25 think, I mean.

1 BOARD MEMBER NADEAU: I think, there's -- well,
2 my opinion is that there's potential issues that may
3 come up. And, frankly, I'm just uncomfortable
4 proceeding. But it's a two-one. And so, therefore, I'd
5 go with the pleasure of the Board.

6 BOARD CHAIRMAN ZANE: Okay.

7 Mr. Campbell, I believe that I'll sustain your
8 objection. And we will postpone this matter until it
9 can be calendared subsequently.

10 MR. CAMPBELL: Thank you.

11 MS. BRADLEY: Do we want to try scheduling now
12 or discussing dates? I don't know, I mean.

13 MR. INGRAM: I'll have to check on availability
14 of the videoconferencing and potentially finding a
15 different room where the videoconferencing will work.

16 MS. BRADLEY: Okay.

17 MR. INGRAM: So I'd like to, you know, take
18 that on as the first task at hand.

19 MS. BRADLEY: Okay.

20 MR. INGRAM: And try and find that
21 availability. I'll work with Mr. Campbell, with
22 yourself, staff's counsel and with the Board members,
23 and try to have an answer to you by -- well, next
24 week's -- Monday's a holiday, isn't it? And then we've
25 got Board meetings on the 7th and 8th. So probably the

1 week following next week.

2 MS. BRADLEY: Okay.

3 MR. INGRAM: Does that sound fair?

4 MS. BRADLEY: Yeah.

5 MR. CAMPBELL: Just one thing, Mr. Ingram, can
6 you call Ms. Armstrong as far as scheduling? She'll
7 have my calendar, but I will be out of the country.

8 MS. ARMSTRONG: He will be gone.

9 MR. INGRAM: Yes, as long as I have her contact
10 information, absolutely, we'll work directly with her.

11 MR. CAMPBELL: Sure. We'll email that to you.

12 MR. INGRAM: Thank you, sir.

13 MR. CAMPBELL: Thank you.

14 MS. BRADLEY: Okay. So the -- well, we have to
15 do public comment. And then, I think, the meeting will
16 be adjourned.

17 BOARD MEMBER NADEAU: Do we do anything else?
18 I mean do we have any other agenda items?

19 MR. INGRAM: The last agenda item, due to the
20 fact that we saw a chance that the meetings could go
21 long today, after we received the exhibits from
22 Mr. Campbell, the unlicensed activity appeal of Rosie
23 Munoz, item number 5 on the agenda, has been rescheduled
24 and noticed for the September 7th Board meeting. And
25 she has accepted that reschedule.

1 MS. BRADLEY: Okay. So, I think, we just
2 call --

3 BOARD CHAIRMAN ZANE: Okay. Any public
4 comment?

5 MS. BRADLEY: Yeah.

6 BOARD MEMBER NADEAU: We have no public comment
7 up here.

8 BOARD CHAIRMAN ZANE: Okay. No public comment
9 in the south.

10 We're adjourned.

11 MS. ARMSTRONG: Thank you.

12 MS. BRADLEY: Thank you.

13 BOARD CHAIRMAN ZANE: Thank you.

14 MR. CAMPBELL: Thank you.

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16 (The meeting adjourned at 2:43 p.m.)

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REPORTER'S CERTIFICATE

I, SHANNON L. TAYLOR, a Nevada Certified Court Reporter, Nevada CCR #322, do hereby certify:

That I was present at the Office of the Attorney General, 100 North Carson Street, Mock Court Room, Carson City, Nevada, on Thursday, September 1, 2016, at 9:00 a.m., and commencing at 9:09 a.m. took stenotype notes of a meeting of the State of Nevada Private Investigator's Licensing Board;

That I thereafter transcribed the aforementioned stenotype notes into typewriting as herein appears, and that the within transcript, consisting of pages 1 through 155, is a full, true, and correct transcription of said stenotype notes of said meeting;

I further certify that I am not an attorney or counsel for any of the parties, not a relative or employee of any attorney or counsel connected with the actions, nor financially interested in the actions.

DATED: At Carson City, Nevada, this 6th day of September, 2016.

SHANNON L. TAYLOR
Nevada CCR #322, RMR