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

Thursday, December 8, 2016
9:00 a.m.

Northern Nevada Location:
Western Nevada College
2201 W. College Parkway
Donald W. Reynolds Center for Technology, Room 102
Carson City, Nevada 89703

Southern Nevada Location (Videoconferenced):
University of Nevada Las Vegas
4505 Maryland Parkway
System Computing Services Bldg., Room 102
North Las Vegas, Nevada 89154

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 (Carson City)
Raymond Flynn (Las Vegas)
Charlotte Collins (Las Vegas)
Jim Nadeau (Las Vegas)

Also: Kevin Ingram (Las Vegas)
Executive Director

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

Sarah Bradley (Carson City)
Senior Deputy Attorney General
Board Counsel

Henna Rasul (Las Vegas)
Senior Deputy Attorney General
Board Counsel

Jason Woodruff (Carson City)
Investigator

Mary Klemme (Carson City)
Investigative Assistant

Other Participants:

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

Mahmoud Hendi (Carson City)
Amanda Hegdahl (Carson City)
Kibbie Kochel (Carson City)

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1 CARSON CITY, NEVADA, THURSDAY, DECEMBER 8, 2016,

2 9:07 A.M.

3 -oOo-

4 BOARD CHAIRMAN ZANE: Are we ready up north?

5 BOARD MEMBER COLBERT: I guess, we are.

6 BOARD CHAIRMAN ZANE: Good morning, everybody.

7 (Several attendees said "Good morning.")

8 BOARD MEMBER COLBERT: Good morning.

9 BOARD CHAIRMAN ZANE: Okay. We'll call the
10 meeting to order.

11 This is the December 8, 2016 meeting of the
12 Private Investigator's Licensing Board.

13 Could we have a roll call, please.

14 MR. INGRAM: Yes, sir.

15 Board Member Colbert?

16 BOARD MEMBER COLBERT: Here.

17 MR. INGRAM: Board Member Nadeau will be coming
18 in late today.

19 Board Member Flynn?

20 BOARD MEMBER FLYNN: Here.

21 MR. INGRAM: Board Member Collins?

22 BOARD MEMBER COLLINS: Here.

23 MR. INGRAM: And Chairman Spencer, or Chairman
24 Zane?

25 BOARD CHAIRMAN ZANE: Here.

1 BOARD CHAIRMAN ZANE: Item number two on the
2 agenda is public comment. And this is a period set
3 aside for anyone wishing to make a comment of interest
4 to the Board, that can now come forward and make any
5 comment that you'd like.

6 Is there any public comment in the north?

7 BOARD MEMBER COLBERT: No.

8 BOARD CHAIRMAN ZANE: Is there any public
9 comment in the south?

10 None.

11 Moving on to item number three, ESI Security
12 Services. And we're continuing with the hearing on item
13 number three from yesterday's meeting.

14 Is there any preliminary matters that need to
15 be addressed before we continue?

16 MS. PALMER: No, sir.

17 MR. CAMPBELL: Not from me.

18 BOARD CHAIRMAN ZANE: Mr. Campbell, anything?

19 MR. CAMPBELL: Nothing from me, thank you.

20 BOARD CHAIRMAN ZANE: All right. Thank you.

21 Okay. Who's up?

22 MR. CAMPBELL: Is Ms. Irizarry going to finish
23 with Mr. Hendi before we call her next witness, now that
24 she's got the exhibit?

25 MS. BRADLEY: Yeah, that's what I was going to

1 say. I think, Mr. Hendi was on the stand being crossed,
2 and there was an exhibit that Ms. Palmer wanted to get
3 to us.

4 MS. PALMER: Yes, Ms. Bradley. Thank you.

5 Actually, I do have that exhibit, but I'm not
6 going to question Mr. Hendi about it. I'll use it as a
7 rebuttal exhibit. So I'm finished with my
8 cross-examination.

9 MR. CAMPBELL: And I'll call --

10 BOARD CHAIRMAN ZANE: Mr. Campbell.

11 MR. CAMPBELL: I'll call Ms. Hegdahl.

12 BOARD CHAIRMAN ZANE: Now, Ms. Hegdahl, have
13 you been previously sworn?

14 THE WITNESS: Yes, yesterday.

15 MR. CAMPBELL: Yes, she was sworn yesterday.

16 BOARD MEMBER COLBERT: Yes.

17 BOARD CHAIRMAN ZANE: Okay. Thank you.

18

19 A M A N D A H E G D A H L,
20 having been previously duly sworn/affirmed,
21 was examined and testified as follows:

22

23 DIRECT EXAMINATION

24 BY MR. CAMPBELL:

25 Q. Ms. Hegdahl, can you please state your full

1 name for the record and where you're employed?

2 A. Amanda Hegdahl, Events Services.

3 Q. And what is your position at Events Services?

4 A. I'm the HR manager.

5 Q. Okay. How long have you been the HR manager at
6 Events Services?

7 A. About two and a half years. I started back in
8 June of 2014.

9 Q. Okay. Can you just briefly explain your job
10 duties -- excuse me?

11 Can you just briefly explain your job duties as
12 the HR manager?

13 A. Sure. It's the hiring, the firing, the
14 administration, workers' comp and employment.

15 Q. Okay. And you know that in the offices there
16 on Technology Way there's three different companies, or
17 there were three different companies owned by Mr. Hendi,
18 Shred-it, Events Services and ESI Security Services?

19 A. M-hm (affirmative).

20 Q. Right?

21 A. M-hm (affirmative).

22 Q. Do you do human resource, or did you do human
23 resources for all three of those entities?

24 A. M-hm (affirmative).

25 Q. Can you explain how you functioned as an HR

1 manager over three different companies?

2 A. It was the same for all three.

3 Q. So you did the same function for all the
4 different companies?

5 A. M-hm (affirmative).

6 MS. BRADLEY: You might want to speak up a
7 little bit, just because I'm not sure how well you're
8 carrying.

9 THE WITNESS: Okay. No problem.

10 MR. CAMPBELL: The mic's way up here.

11 THE WITNESS: Okay.

12 MR. CAMPBELL: So you're going to have to
13 project.

14 BY MR. CAMPBELL:

15 Q. Okay. I want you to explain to the Board the
16 process for an employee to become employed at -- let's
17 start with Events Services.

18 A. Sure. So they'll put in an application under
19 Events Services specifically. And we bring them in. We
20 interview them for Events Services specifically. And
21 then, if the interview goes well, then we'll hire them
22 for Events Services.

23 Q. Now, who would handle that job function; do you
24 have somebody under you that is in the recruiting
25 position?

1 A. Yes, that would be C.A.

2 Q. Okay. And prior to C.A.?

3 A. It was Sarah Haslip.

4 Q. Okay. And at one point, did both Sarah Haslip
5 and C.A. Magri do that recruitment function?

6 A. Correct.

7 Q. Tell me a little bit about that recruitment
8 function from your -- you're the direct, their
9 supervisor, right?

10 A. Yeah. It's strictly that they're just the
11 recruiters. It's in their job description to do all of
12 the screening applications for Events Services, do the
13 interviews for them, doing the onboarding for them as
14 well.

15 Q. Okay. And then after they're interviewed, what
16 happens next?

17 A. It stops there, and that's kind of when I come
18 into the picture. So they just do all the recruiting
19 for it.

20 Q. Okay. And then who does their paperwork as far
21 as getting them employed by Events Services?

22 A. They do the paperwork for it. It's just the
23 administration part of the recruiting process as well.

24 Q. Okay. And that paperwork is their tax, tax
25 forms, ID forms --

1 A. M-hm (affirmative).

2 Q. -- things like that?

3 A. Correct.

4 Q. Now, have you had an occasion where a potential
5 employee will come to the company and say, "I'd like to
6 work for one of your companies. I don't know which
7 one"?

8 A. Yeah, that does happen. That's kind of when we
9 go over the job duties for each of those, the jobs and
10 functions for each, and then we kind of decide where
11 that employee would be a best fit.

12 Q. Okay. And is that, again, a function that your
13 recruiters would initially take?

14 A. Correct.

15 Q. Okay. And what if that employee says -- you
16 know, they hear the different job duties, and they say,
17 "That ESI Security sounds like what I'd like to do";
18 what would the process be there?

19 A. So that's when I tell them, obviously, about
20 the PILB process. I say, "You have to have your PILB in
21 order to work for ESI Security," and then tell them
22 about how we help facilitate that process for them. And
23 we kind of start going that route. But I do let them
24 know that you have to have your PILB in order to work
25 for ESI Security. And if they decide, they agree upon

1 that, then we kind of move forward at that point.

2 Q. Would that person be on, technically on the
3 payroll as an employee of ESI Security --

4 A. No.

5 Q. -- until they get that PILB card?

6 A. Yeah, correct, they would not be on the payroll
7 for that.

8 Q. Make sure you wait till I finish my question.

9 A. Okay.

10 Q. So we have a clear record. I know you're
11 anxious to answer these questions. But please let us
12 wait so we have a real clear record on this.

13 Let's take an example of a Shred-it or Events
14 Services person that's currently working for one of
15 those two companies.

16 A. M-hm (affirmative).

17 Q. And they indicate a desire to go to work for
18 ESI Security. How would that process work?

19 A. So they are a current employee of Events
20 Services, you're saying?

21 Q. Or Shred-it.

22 A. Okay. So at that point, we would start the
23 process of getting their PILB, have them do the
24 application, the fingerprints. And then we let them
25 know that you have to wait until you're provisional

1 until we can move forward with ESI Security.

2 Q. Okay. And once they get their provisional,
3 then what happens?

4 A. Then we call them up, or they call us and say,
5 "Hey, I'm provisional." We have them come in and do a
6 whole new set of paperwork for the ESI Security company,
7 since it is separate.

8 Q. Okay. As part of that job process for a
9 recruiter, do they -- is part of their job description
10 fingerprinting for a potential recruit for ESI Security?

11 A. It is, yes.

12 Q. And why do they need to fingerprint?

13 A. Because they cannot be an employee until they
14 go through that process. And so it's, essentially, a
15 recruiting function to get them on board and on for ESI
16 Security.

17 Q. Okay. Does that recruiting function have any
18 responsibilities outside of that, that, you know, intake
19 and then getting a potential recruit through the PILB
20 process?

21 A. No.

22 Q. Okay. Do they ever go out in the field and do
23 any supervisory work?

24 A. No.

25 Q. Do they ever -- are they ever assigned to do

1 private patrol security work at a function?

2 A. No.

3 Q. Do they ever go out of the office?

4 A. No.

5 Q. You're familiar with this, the notice of

6 violation that brought us here today regarding

7 Ms. Haslip and Mr. Magri, correct?

8 A. Yes.

9 Q. Okay. And I'm going to show you Exhibit 3 just
10 so you have that in front of you.

11 So have you seen Exhibit 3?

12 A. Yes.

13 Q. Okay. And is this the first instance that you
14 heard, that would be the first string in the email,
15 where Ms. Irizarry emails you and asks about C.A. Magri
16 and Ms. Haslip?

17 A. Yes.

18 Q. And prior to that time, no one had ever asked
19 you any questions about their status of who they were
20 employed for or what they were doing?

21 A. Correct, yes.

22 Q. I'll get back that exhibit. I want to move
23 back a few weeks before that email. Did you attend a
24 session at ESI Security where Mr. Ingram spoke to a
25 collective group at the company?

1 A. I did, yes.

2 Q. Okay. And some testimony earlier in the --
3 yesterday, we heard that there were actually two
4 meetings. There was a general meeting with a lot of
5 employees and then a breakout meeting with you,
6 Mr. Hendi and Mr. Ingram. Is that correct?

7 A. Correct.

8 Q. And did you attend the meeting with a lot of
9 employees?

10 A. Yes.

11 Q. Okay. And tell me how that meeting went.

12 A. It went well. We started out with our
13 presentation about how we kind of do things on our end.
14 And then, afterwards, Mr. Ingram did his presentation on
15 how the PILB does things on their end and their
16 expectations of us. And then, afterwards is when we had
17 the breakout meeting.

18 Q. Okay. Let me ask you about the big meeting.
19 Was that the first meeting?

20 A. With everybody?

21 Q. Yes.

22 A. Correct, yes.

23 Q. Okay. Let me ask you about the first meeting.
24 After Mr. Ingram gave his presentation, I mean after
25 Mr. Hendi gave the presentation, did Mr. Ingram ask any

1 questions of anybody at that meeting?

2 A. I don't -- I can't recall.

3 Q. Okay. And then, after the presentation that
4 Mr. Ingram gave -- and that was a slide show
5 presentation?

6 A. M-hm (affirmative).

7 Q. At that presentation, do you remember any
8 discussion about Events Services employees potentially
9 doing work for ESI Security and that that was not
10 allowed?

11 A. I can't recall.

12 Q. Okay. In the second meeting, the breakout
13 meeting, you, Mr. Hendi and Mr. Ingram --

14 A. M-hm (affirmative).

15 Q. -- what was your recollection of what was
16 discussed in that meeting?

17 A. We kind of went over the presentations. And
18 the thing I remember the most is a conversation that we
19 had with Mr. Ingram about how if there was to be an
20 issue in the future, how we would rectify it. And he
21 was explaining how, you know, we try to rectify it in
22 good faith, that it wouldn't be an issue. I kind of got
23 the impression as it being open-door, you know, we'll
24 help you and kind of work together more closely.

25 Q. And he indicated to you that it was he was

1 going to work with you to resolve any problems or issues
2 that existed with the company?

3 A. Oh, definitely, yes.

4 Q. And then let's move back to Exhibit Number 3.

5 A. M-hm (affirmative).

6 Q. I think, the first date on that email is May --
7 is it May 9th, May 10th?

8 A. It's May 9th.

9 Q. Okay. So you get an email from Ms. Irizarry on
10 May 9th. Did you know who she was?

11 A. Yes.

12 Q. Did you ever interface with her before?

13 A. Just the email. When I first started, we kind
14 of worked together a lot. So, yeah, we've talked a lot
15 in the past, prior to these emails, yes.

16 Q. Okay. And then, so you got that email. And it
17 looks like, if you go to the next email in the string --

18 A. M-hm (affirmative).

19 Q. -- you immediately responded?

20 A. Correct.

21 Q. On the next day?

22 A. M-hm (affirmative).

23 Q. And what did you tell Ms. Irizarry?

24 A. I said "Good morning, Lori. Sarah and C.A. are
25 both employed under Events Services, Incorporated and do

1 hold the responsibility for recruiting for both
2 companies. We do have them identify their email
3 signatures under ESI to alleviate any confusion with
4 potential candidates. Even though that is what we
5 prefer to continue doing due to the competitive market,
6 we can revise the logo to Events Services or have them
7 obtain their PILB if that is something you would prefer.
8 Thank you for bringing this to my attention and hope to
9 resolve this issue soon"; explanation point, smiley
10 face.

11 Q. Okay. The first part of that, what did you
12 mean they work "under" Events Services?

13 A. Obviously, it was just a word of choice. It
14 could have been "for," "with"; you know, just a word of
15 choice.

16 Q. And Ms. Haslip did, in fact, at that point,
17 work for Events Services?

18 A. Correct.

19 Q. And did she always work for Events Services?

20 A. Yes.

21 Q. For the record, I'd like to have you look at
22 Exhibit Number -- it's actually Exhibit letter M. It's
23 been previously admitted.

24 MS. BRADLEY: M-hm (affirmative).

25 ///

1 BY MR. CAMPBELL:

2 Q. Ms. Hegdahl, can you identify for the record
3 Exhibit Number M?

4 A. It's a paycheck for Sarah Haslip from Events
5 Services.

6 Q. I think, there's a couple pages there.

7 A. Oh. That's the same thing on the next page, it
8 is a paycheck for Sarah Haslip for Events Services. And
9 a W-2 for Events Services for Sarah Haslip. Yeah.

10 Q. Okay. Now, if you look back to your response
11 to Ms. Irizarry on May 10th, the second part of the
12 response was you're telling her why they have the -- in
13 this hearing, I called it the ESI Security moniker, at
14 the bottom of the email.

15 A. M-hm (affirmative).

16 Q. The identification of who the signer is. What
17 did you mean in your explanation to Ms. Irizarry that
18 you were doing that for the convenience of the PILB?

19 A. I was just -- they're, obviously,
20 representatives as recruiters for ESI. So that's why
21 they had that signature, and that's what I was trying to
22 get across to her.

23 Q. And then kind of breaking down the third part
24 of your response to Ms. Irizarry was, again, you were
25 asking for advice on these, on these two?

1 A. M-hm (affirmative). Yeah, we can revise if
2 that's something that she would prefer, and,
3 essentially, kind of asking her what she wanted us to do
4 in regards to that situation.

5 Q. Now, why did you offer to have them change
6 their moniker on the email?

7 A. Just so we can be compliant. And it really was
8 just an honest question of what do you want us to do so
9 we can be compliant, kind of going back to the meeting
10 with Ingram of, you know, we're here to work together to
11 make sure that we're doing what we're supposed to be
12 doing.

13 Q. That was my next question. Did you ask that
14 question because it was your understanding from the
15 meeting with Mr. Ingram, where Mr. Hendi was also
16 there --

17 A. M-hm (affirmative).

18 Q. -- that this is how it was going to work, if
19 there were questions, you would work together to try to
20 resolve those?

21 A. Yes.

22 Q. Okay. And then the next, the next email from
23 Ms. Irizarry in that string, what does she reply?

24 A. On May 10th, she replied "Thank you, Amanda,
25 for clarifying your duties. Could you please tell me

1 Sarah and C.A.'s hire date? So I can discuss this with
2 Kevin and will get back to you regarding your
3 suggestions and recommendations." So she confirmed that
4 she suggested, or I suggested it as well.

5 Q. Okay. Did she indicate when she was going to
6 get back to you?

7 A. No.

8 Q. Okay. Let's go to the next, next in the
9 string.

10 A. M-hm (affirmative).

11 Q. And when was your next communication?

12 A. The same day, on May 10th.

13 Q. And what did you -- is that your response?

14 A. Yes.

15 Q. And what did you say to that?

16 A. I said "Of course" and "they are" and then I
17 gave the name Sarah Haslip, title Senior Recruiter for
18 Event Services, Incorporated, start date 4-6-2015, and
19 then name of C.A. Magri, title Recruiting Specialist,
20 Events Services, Incorporated, start date of 4-25-16.

21 Q. Let me ask you about Mr. Magri. Was his job
22 function the exact same thing as Sarah Haslip?

23 A. At that time, Sarah was the Senior Recruiter,
24 so she kind of did a little bit more. But, essentially,
25 they did do, both, recruiting functions.

1 Q. And his interface with the PILB would be
2 sending emails to them with potential employees' ID
3 number, driver's license number, things like that?

4 A. Correct.

5 Q. Okay. Going back to Exhibit Number 3, what
6 happened next in that string of communications with
7 Ms. Irizarry?

8 A. She immediately responded, saying "Thank you,
9 Amanda, for this information. I will discuss with Kevin
10 later this week and have an answer for you early next
11 week."

12 Q. So she said she would discuss with Kevin later
13 that very same week and get back to you the following
14 week. That would have been the week of May 17th, or
15 somewhere in those dates, about a week later?

16 A. Correct.

17 Q. Did Ms. Irizarry get back to you in May 17th or
18 the week after that or even the week after that?

19 A. No.

20 Q. When did she finally get back to you on your
21 inquiry about what to do with these two employees?

22 A. Well, I had to reach out to her. And then she
23 finally responded on June 29th.

24 Q. Okay. You said you had to reach out to her?

25 A. Yeah.

1 Q. I think, that's in that email string, too,
2 isn't it?

3 A. Yeah.

4 Q. And what did you say to her in that email
5 string?

6 A. On June 24th, I said "Good afternoon, Lori. I
7 haven't heard anything back regarding this inquiry so I
8 wanted to follow up. I want to ensure my department is
9 a hundred percent compliant, so if there's any action we
10 need to take, please let me know. If not, please let me
11 know as well. Thank you, and have a nice weekend."

12 Q. If Ms. Irizarry had, in fact, responded to you
13 and said let's just get them registered, would you have
14 done that?

15 A. Of course.

16 Q. And that wouldn't have been a problem?

17 A. No.

18 Q. Okay. Let's go back to the meeting at ESI
19 Security, the breakout meeting, the second meeting with
20 you, Mr. Hendi and Mr. Ingram.

21 A. M-hm (affirmative).

22 Q. After that meeting, did you do anything
23 regarding registration for employees for anybody in the
24 company?

25 A. Just at all?

1 Q. Yeah.

2 A. Yeah.

3 Q. Okay. What do you do?

4 A. The same process, where if somebody wants to
5 register, we facilitate the process for them, and we
6 email them the information.

7 Q. Okay. Did you go, or did you obtain your PILB
8 card?

9 A. I did.

10 Q. Okay. And when did you do that?

11 A. It was in April that I became provisional.

12 Q. Was it after the meeting with Mr. Ingram?

13 A. Yes.

14 Q. Okay. And why did you decide to obtain your
15 PILB card?

16 A. Just to cover all my bases. Like I said, my
17 goal was just to be compliant. So if I ever needed it
18 for any reason, I would have it and just be prepared and
19 cover my bases.

20 Q. And why would you need a PILB card?

21 A. Sure. Just in case I ever had to go out in the
22 field at all or perform any functions with the security
23 officers that could be considered a security function.

24 Q. So just kind of a follow-up on the meeting and
25 your understanding of what was -- how the parties were

1 going to work together?

2 A. M-hm (affirmative).

3 Q. Okay. And did you put yourself on the roster
4 of a registered person?

5 A. I did.

6 Q. And what roster was that?

7 A. I'm sorry?

8 Q. What roster, the ESI Security roster?

9 A. Yes, m-hm (affirmative).

10 Q. Okay. Why did you use the ESI Security roster;
11 you weren't an ESI Security employee, right?

12 A. M-hm (affirmative).

13 Q. You were an Events Services employee?

14 A. Correct.

15 Q. And you're still an Events Services employee?

16 A. Correct.

17 Q. You were never an ESI Security employee?

18 A. Correct.

19 Q. Why did you put yourself on the roster for ESI
20 Security when you weren't an employee?

21 A. To follow up on the reason why I obtained it.
22 So if I was to have to go out in the field for any
23 reason, you know, if there was to be an audit at that
24 time, and I'm not, you know, I'm not on somebody's
25 roster, then I would, essentially -- you know, it would

1 be a violation as well. So I was just trying to cover
2 both bases.

3 Q. Okay. But you didn't try to infer that you
4 were an ESI Security employee, right, by putting
5 yourself on the roster?

6 A. Correct, yeah.

7 Q. Now, Mr. Magri and Ms. Haslip were not -- did
8 not have any PILB card, right?

9 A. Correct.

10 Q. Prior to the meeting, prior to the email,
11 Exhibit Number 3 email, did you have any idea that they
12 should be registered by the PILB?

13 A. No. Like I said, I was just throwing out some
14 recommendations on trying to be compliant.

15 Q. Yeah. Who was your -- what was your
16 understanding of who had to be registered with the PILB?

17 A. I'm sorry. What? I didn't...

18 Q. What was your understanding of what type of
19 employees had to be registered with the PILB?

20 A. Anybody who does a security function needs to
21 be registered.

22 Q. How did employees of ESI Security?

23 A. Yeah, any employee under ESI Security needs to
24 have a PILB.

25 Q. Okay. And it was your understanding or your

1 interpretation that Mr. Magri and Ms. Haslip did not
2 need to be registered?

3 A. Correct, because they're under Events Services,
4 and they would never have to do anything security
5 related at all.

6 Q. Okay. But you registered yourself because you
7 thought you might have to do some security work?

8 A. Correct, it was just a just-in-case.

9 Q. That was because you're an HR manager and,
10 potentially, you might have to go in the field?

11 A. Correct.

12 MR. CAMPBELL: That's all I have of that
13 witness. Thank you.

14 BOARD CHAIRMAN ZANE: Ms. Palmer.

15

16 CROSS-EXAMINATION

17 BY MS. PALMER:

18 Q. Ms. Hegdahl, I think that Mr. Campbell just
19 asked you about three related companies. And, I
20 believe, he indicated Events Services, ESI Security and
21 Shred-it, which has been since sold?

22 A. Correct.

23 Q. Can you tell me what you understand about Quick
24 Print?

25 A. It's just a company that provides

1 fingerprinting for people.

2 Q. And where is that company located?

3 A. At the 8670 Technology Way building.

4 Q. Is that one of Mr. Hendi's companies?

5 A. Yes.

6 Q. Do you recruit employees for that company?

7 A. No, it's part of the job description for the
8 Events Services recruiters.

9 Q. But do you supervise those recruiters?

10 A. Yes.

11 Q. So your employees do the work for Quick Print?

12 A. As of right now, it's just me.

13 Q. Do you perform the fingerprinting function for
14 Quick Print?

15 A. I do.

16 Q. Did Ms. Haslip perform the fingerprinting
17 function for Quick Print?

18 A. Yes.

19 Q. And what about C.A. Magri; did he perform --

20 A. No.

21 Q. -- the functions?

22 A. No.

23 Q. Who else performed the functions, that you're
24 aware of?

25 A. Dustin Altheide, and he's our IT manager.

1 Q. And who is he employed by?

2 A. He is with ESI Security.

3 Q. So why would an ESI Security employee be
4 performing the work of another company, Quick Print?

5 A. I don't know.

6 Q. Explain to me how the payroll is set up. If
7 Dustin Altheide is an IT employee for ESI Security, how
8 do you account for his paycheck, his wages, when he's
9 doing work for multiple companies?

10 A. That would be more of the payroll function that
11 I don't, I don't handle.

12 Q. Who are you paid by?

13 A. Events Services.

14 Q. Do you understand what the employee roster is
15 that's prepared for the PILB Board?

16 A. I do.

17 Q. What is the roster supposed to represent?

18 A. To represent employees that work with ESI
19 Security.

20 Q. But you testified that you don't work for ESI
21 Security, but you have your name on the employee roster
22 of ESI Security?

23 A. Correct.

24 Q. How many other employees are on the roster for
25 ESI Security that aren't employed by ESI Security?

1 A. None.

2 Q. None, just you?

3 A. M-hm (affirmative).

4 MR. CAMPBELL: Answer audibly, yes or no.

5 THE WITNESS: Oh, I'm sorry. Yes.

6 MS. PALMER: One moment, Court's indulgence,
7 please.

8 BY MS. PALMER:

9 Q. Ms. Hegdahl, if you would look at Exhibit
10 Number 3, please.

11 A. M-hm (affirmative).

12 Q. Specifically page number 13. In your response
13 to Ms. Irizarry, you testified that you said that Sarah
14 and C.A. are both employed under Events Services and
15 that that was simply a word choice?

16 A. Yes.

17 Q. Is that correct?

18 A. Yes.

19 Q. Now, if you would, please, turn to page -- to
20 Exhibit 21. And that would be page 171. If you could
21 just look at that email. I think, there's a couple
22 pages to it. And the first communication, beginning at
23 the bottom of page 172, extending to 173, is this a type
24 of communication that you're familiar with?

25 A. Yes.

1 Q. And can you explain what it is?

2 A. So I'm looking on page 173. It looks like
3 Sarah Haslip was sending the PILB application
4 information over to the PILB, which includes the
5 documentation needed to complete that application.

6 Q. And in her signature block, she represents
7 herself as an HR Assistant/Recruiting Specialist for ESI
8 Security Services; is that correct?

9 A. Yes.

10 Q. And why is that?

11 A. As I said earlier, they worked as
12 representatives of ESI.

13 Q. How is a representative of ESI different than
14 an employee of ESI?

15 A. An employee would be performing
16 security-related duties and have a PILB under ESI
17 Security. As a representative, she is employed with
18 Events Services, and she was just a representative for
19 ESI for employees being onboarded onto that company.

20 Q. And does she do work for companies other than
21 Mr. Hendi's companies as a representative or a
22 third-party vendor, or just for Mr. Hendi's companies?

23 A. She did perform fingerprints for Quick Print.

24 Q. But that is one of Mr. Hendi's companies, is it
25 not?

1 A. Yes.

2 Q. So how would you distinguish, I mean your
3 understanding between who an employee of one of the
4 companies is versus the employee of another company?

5 MR. CAMPBELL: Counsel, could you be a little
6 more specific with some foundation. Like what companies
7 are you talking about?

8 BY MS. PALMER:

9 Q. Well, I'm referring to all of Mr. Hendi's
10 different companies. And so I'm trying to ascertain how
11 you, as the human resources manager, discerned whether
12 somebody is employed by Events Services versus ESI
13 Security, versus Quick Prints, versus Shred-it,
14 et cetera.

15 A. Sure. So I'll just start with Events Services.
16 As I was saying earlier, Events Services is a
17 nonsecurity-related guest services, customer service
18 position that does not need to have the PILB. And that
19 stays with that.

20 And then, with ESI Security, that's when it's
21 security-related functions. They have to have their
22 PILB.

23 Shred-it is completely out of, you know, both
24 of those realms. And they, obviously, have a different
25 uniform and with a -- you know, they're separate from

1 Events Services and ESI. And they don't perform any
2 security-related positions, obviously.

3 Q. So would you agree that most of the crossover,
4 where you have employees performing functions for more
5 than one company, occurs between Events Services and ESI
6 Security?

7 A. There's no crossover. But, yes, there's --
8 yeah.

9 Q. Well, explain that. I was specifically
10 referring to functions --

11 A. M-hm (affirmative).

12 Q. -- that one employee might perform for one of
13 the sister corporations.

14 A. They don't. That's why I'm saying there's no
15 crossover between the two companies. Events Services is
16 customer service-related and guest services-related, and
17 ESI Security is security function-related. So there's
18 no crossover in job duties.

19 Q. So are you saying, then, that ESI Security has
20 its own administrative staff?

21 A. No.

22 Q. So there is crossover?

23 A. In regards to?

24 Q. Well, the administrative function, for one
25 thing?

1 A. No, the administration is, basically, through
2 me.

3 Q. Were you finished?

4 A. Yeah. Yes, I was.

5 Q. I didn't hear what you said, that the
6 administration function is basically what?

7 A. It's, most of it's done through myself. So if
8 there's something more specific you have in mind in
9 regards to administration functions. But for ESI, it is
10 separate. I don't really know what you're looking for
11 there.

12 Q. Well, I asked you first if ESI Security had
13 their own administrative staff. And, I believe, your
14 answer was no.

15 A. Correct.

16 Q. So is Events Services performing the
17 administrative function for ESI Security?

18 A. I can say personally that I do administration
19 functions as a representative for ESI.

20 Q. And does Sarah, or did Sarah?

21 A. She only did under the recruitment function.
22 And that's when she was helping facilitate the PILB
23 process with any potential employees or candidates.

24 Q. That she did it for ESI Security?

25 A. As a representative, yes.

1 Q. And so what is the difference between -- your
2 understanding. I'm not asking you for a legal
3 interpretation. I'm asking you for what is your
4 understanding, the difference between a representative
5 and an employee?

6 A. An employee would do the actual field work with
7 the security-related functions. And administration is,
8 obviously, not doing that type of work.

9 Q. So I don't want to put words in your mouth, but
10 my understanding of what you were saying is that the
11 difference between an employee at ESI Security would be
12 someone with a security function. And if they weren't
13 working in a security function-type capacity, that they
14 would merely be representatives of ESI Security. Is
15 that correct? And if I'm wrong, please explain.

16 A. No, that's -- yes, that's correct.

17 Q. Okay. Moving back to page 171, and you had
18 testified a few moments ago that you had referred to
19 C.A. Magri and Ms. Haslip as being employed under Events
20 Services, as just a word choice. What does Ms. Haslip
21 mean, what would you imagine that she might mean when
22 she says that this individual was employed with our
23 Event Services division; what does that mean?

24 A. Can you clarify which part you're talking about
25 on page 171 specifically?

1 Q. At the top of the page, the first line, where
2 it says "Yes, with our Event Services division." And I
3 suppose you'd have to read what it is that Ms. Jenkins
4 is asking. That's on page 172. She says "Has
5 Mr. Vasquez had employment history?"

6 A. M-hm (affirmative). Okay.

7 Q. "Yes, with our Events Services division."

8 A. Okay. Yes.

9 Q. What does that mean?

10 A. It means that he was working with the Events
11 Services at the time of applying for his PILB.

12 Q. Why would she use the word "division" if it's a
13 separate company?

14 A. I can't, I can't speak for her. She was,
15 obviously, just referring to the company of Events
16 Services.

17 Q. In the same way that you just used the choice
18 of word "under" rather than "for"?

19 A. Correct.

20 Q. Who are you paid by?

21 A. Events Services.

22 Q. And so your paycheck comes from Events
23 Services?

24 A. Yes.

25 Q. But you testified that you do work for all

1 three companies; is that correct?

2 A. Yes.

3 Q. How do you allocate your time between the
4 different companies if you're paid under one company?

5 A. It depends on the needs of the companies.

6 BOARD MEMBER FLYNN: I couldn't hear it.

7 BOARD CHAIRMAN ZANE: Can you repeat that,
8 please.

9 THE WITNESS: It depends on the needs of the
10 company.

11 BY MS. PALMER:

12 Q. You mean as far as how much work you do for any
13 one company?

14 A. Correct.

15 Q. Is that what you meant in your answer?

16 A. Yes.

17 Q. But how do you keep track of when you're
18 working for Events Services versus working for ESI
19 Security, versus working for Shred-it, versus working
20 for Quick Print?

21 A. I don't have a specific tracker. It's just all
22 within my job description, to perform those duties.

23 Q. So you're doing work on behalf of four
24 different companies, but all of your payroll is done
25 through one company, Events Services?

1 A. Correct, yes.

2 Q. I want to turn back to Exhibit 3, please.

3 I apologize for the delay.

4 On page 13, in your response to Ms. Irizarry,
5 in the second paragraph, you said that you have them
6 identify their email signatures under ESI to alleviate
7 any confusion of potential candidates; is that correct?

8 A. Yes.

9 Q. What confusion would you be eliminating?

10 A. Let's say a candidate was to apply for an ESI
11 Security position. We would want to reach out as an ESI
12 representative so they know that they're getting
13 communication from the ESI representative and not a
14 different company.

15 Q. What would the signature block look like if a
16 candidate wanted to apply for Events Services?

17 A. Now it's Events Services through Sarah's and
18 C.A.'s email signatures.

19 Q. Pardon?

20 A. Right now, their signatures are under Events
21 Services.

22 Q. No, at the time.

23 A. M-hm (affirmative).

24 Q. So you said that the reason that they used ESI
25 Security Services was to avoid confusion if an applicant

1 was to apply for a position with ESI Security?

2 A. M-hm (affirmative).

3 Q. So my question is, what would their signature
4 block have looked like if an employee was actually
5 applying for a job with Events Services?

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

7 BY MS. PALMER:

8 Q. Would the signature block have said "Events
9 Services," or would it have said "ESI Security"?

10 MR. CAMPBELL: I'm going to object. I think,
11 there's an foundational issue here. I don't think an
12 Events Services employees would be applying, sending an
13 email to the PILB for a registration. So, I think, your
14 question doesn't -- lacks the proper foundation.

15 MS. PALMER: Okay. I -- thank you.

16 BY MS. PALMER:

17 Q. So are you saying that the signature block that
18 is reflected for C.A. Magri and for Ms. Haslip, that
19 that's a signature block that's only utilized with the
20 PILB?

21 A. No.

22 Q. So --

23 A. But there's --

24 Q. -- I'm getting confused.

25 A. No. Their signature block doesn't change. So

1 ESI Security, if a candidate's to apply, they get it
2 with that, with that signature block, no matter the
3 position that they're applying for.

4 Q. Then, how does this avoid confusion?

5 A. ESI Security's a lot more, more well-known.
6 It's seen more. So more people know of ESI Security,
7 and they're more familiar with ESI Security. So that's
8 why we use that one.

9 Q. So it would instead avoid confusion with most
10 potential candidates?

11 A. Correct.

12 Q. And it would actually create confusion for
13 candidates that were applying for positions that weren't
14 with ESI Security; is that correct?

15 A. We never received any complaints about it or
16 any questions from potential candidates regarding it,
17 so.

18 Q. That wasn't my question. I didn't ask you
19 about complaints. You specifically said that the reason
20 that you have them identify their email signatures under
21 ESI is to alleviate confusion with potential candidates.
22 Now, I think, through your testimony, we've just
23 established that it would create confusion for potential
24 candidates applying for Events Services.

25 MR. CAMPBELL: I don't think she testified

1 anything to that effect. So, I think, that misstates
2 her testimony.

3 MS. PALMER: Well, we can either read back her
4 testimony or she can explain how it doesn't create
5 confusion for someone that's applying for a position
6 with Events Services.

7 I'm testing the veracity of her reason for
8 having them identify themselves as ESI Security
9 employees. She has indicated in writing that's to avoid
10 confusion with potential clients. She has now testified
11 that this is the same signature block that an employee
12 would have, or that these employees, these recruiters
13 would have for a candidate applying for a position with
14 Events Services.

15 BY MS. PALMER:

16 Q. So don't you have the same problem, then, you
17 have confusion on the part of those individuals, when
18 the recruiter's signature indicates ESI Security?

19 A. We have more candidates through ESI Security.
20 So that's why we wanted to go this route. And it's more
21 recognizable as well. So it's -- we want to kind of
22 cater more towards the larger candidate pool, since it's
23 more recognizable, with ESI Security.

24 Q. So you're acknowledging, then, that it does
25 create confusion for those candidates that aren't

1 applying for a position with ESI Security?

2 A. I'm not stating either/or.

3 Q. Or that it could?

4 A. Sure, it could.

5 Q. Pardon?

6 A. Sure, it could.

7 Q. So if most of your candidates are applying for
8 positions with ESI Security, why are your recruiters
9 employed for Events Services?

10 A. Because we have Events Services candidates as
11 well. It's both companies, and there's the
12 representatives of the ESI.

13 Q. Are there other recruiters for ESI Security?

14 A. Right now, it's just C.A. Magri.

15 Q. But he's not an employee of ESI Security?

16 A. That is correct.

17 Q. So why isn't he an employee of ESI Security if
18 most of his recruiting is done with ESI Security
19 applicants?

20 MR. CAMPBELL: That's been asked and answered a
21 couple times now, I think. She says because he doesn't
22 do security work. That was her answer. I don't know
23 how many times you want to get it from her.

24 BY MS. PALMER:

25 Q. So is the separation between people that are

1 paid under Events Services and the people that are paid
2 for work that's done for ESI Security, whether or not
3 it's security-related work?

4 A. People who are paid through ESI Security are
5 registered with the PILB and do security-related
6 functions. Those are the people that get paid through
7 ESI --

8 Q. Pardon? Go ahead.

9 A. Those are the people that get paid through ESI
10 Security.

11 Q. So ESI Security only hires as employees people
12 that do security-related work?

13 A. Correct.

14 Q. In your response to Ms. Irizarry, you said that
15 the reason that you offered to change the moniker for
16 C.A. Magri and for Ms. Haslip -- and, I believe, your
17 words were "to become complaint"; is that correct?

18 A. Are you looking, is this the one on page 13 in
19 Exhibit 3?

20 Q. Well, I'm talking about your testimony.

21 A. Oh.

22 Q. And it would be -- you say "we can revise the
23 logo to Events Services or have them obtain their PILB
24 if that is something you would prefer." And you
25 testified earlier on direct that you offered that

1 because you wanted to -- you made that offer to become
2 compliant. Is that correct?

3 A. I say "I want to ensure that my department is
4 100 percent compliant. So if there's an action we need
5 to take, please let me know." So that's --

6 Q. I'm asking you what you testified to.

7 A. In regards to this email, correct?

8 Q. And you said that the reason you made that
9 offer was to become compliant; is that correct?

10 A. Yes, as a suggestion, if that's what they felt
11 would be compliant, something that we would need to do.

12 Q. You're not answering my question. My question
13 is, when you were asked on direct, you testified that
14 the reason you made this offer was to become compliant;
15 is that correct?

16 If you're having difficulty, I can have the
17 court reporter read it back.

18 A. Okay.

19 Q. Is that what you would like?

20 A. No, that's fine. Yes, if that was to be
21 compliant, it was an option that I gave to them.

22 Q. Does that mean that you believed you were not
23 in compliance up until that point?

24 A. No. And I say that because we had been doing
25 that for years beforehand. And we never heard from the

1 PILB otherwise. So that's why we continued to do it. I
2 have never heard anything prior to that, and we've been
3 sending them emails for years in that manner.

4 Q. So if you believed that you were already in
5 compliance, why would you need to become compliant?

6 A. Because with that, with the discussion with
7 Kevin, you know, if there's something that gets brought
8 to our attention, that I wasn't aware of, that's not
9 compliant, then I wanted to do whatever I needed to do
10 to be compliant with the Board.

11 Q. If you would, please review Ms. Irizarry's
12 communication to you.

13 A. Which one?

14 Q. That would be at the bottom of page 13 and the
15 top of page 14. I apologize.

16 A. Okay.

17 Q. What is it about that communication that led
18 you to believe that perhaps there was a concern that you
19 weren't compliant?

20 A. I guess, under her assumption. It says
21 "regarding two recruiters that have identified
22 themselves as ESI Security employees"; "Could you please
23 tell me how long the following people have been employed
24 by ESI Security." So that wasn't the case, because they
25 were employed by Events Services. So there was some

1 confusion there, and I didn't know, you know.

2 Q. So rather than offer to get them licensed, if
3 your belief is that they were not employees or someone
4 who needed to be registered by the PILB, why would you
5 offer that as a solution?

6 MR. CAMPBELL: Asked and answered, a couple
7 times again now.

8 THE WITNESS: You know, I was just, I was,
9 honestly, just really doing what I could to be
10 compliant. I would have no ill intention of doing
11 something otherwise. I was just offering up solutions
12 just to see what I could do to make sure that -- you
13 guys wanted us to do what we needed to do. It wasn't --
14 there was no other intention aside from just wanting to
15 try to work with you guys to make sure that we were
16 doing what we were supposed to be doing, and how we
17 needed to get there.

18 BY MS. PALMER:

19 Q. So you testified earlier that you got your PILB
20 card. And when did you get that?

21 A. It was April, in April 2016.

22 Q. And, I believe, you said you did that in case
23 you had to go out into the field?

24 A. Correct.

25 Q. What would you be going out into the field for?

1 A. Anything HR related, if I had to supervise or
2 train or conduct an investigation. I haven't had to.
3 So it was just a just-in-case type of situation.

4 Q. But if you did go out there, you would still be
5 paid by Events Services; is that correct?

6 A. Correct.

7 Q. On that same page 13 of Exhibit 3, your
8 signature indicates ESI Security Services; is that
9 correct?

10 A. Correct.

11 Q. Why is that?

12 A. Again, I'm just a representative for ESI.

13 Q. So even though -- well, let me ask you this.
14 How much of your time is spent doing the work of Events
15 Services versus doing the work of one of the other
16 companies?

17 A. I don't log my time for each company, so I
18 don't have a definite answer. It just depends on the
19 needs of the company at the time.

20 Q. Well, give me an idea on a typical week; how
21 much time do you spend doing ESI Security Services work
22 versus Events Services work, versus Quick Print work,
23 versus Shred-it work?

24 A. I mean it completely depends, if it's in the
25 busy season. Right now, we're in a busy season, with

1 New Year's Eve coming up. So a lot of it is with Events
2 Services, recruiting up for that. So there's -- there's
3 high seasons and low seasons. Or some, I might have
4 more inquiries from Events Services employees in one
5 week and another from the next for ESI Security. So I'm
6 sorry I can't say definitely. Because every week, it
7 definitely depends.

8 Q. If somebody were to ask you which company --
9 well, let's just take the last week. Which company did
10 you do the majority of your work for?

11 A. I would say it was probably a 50/50.

12 Q. Between?

13 A. Events Services and ESI. It's no longer with
14 Shred-it, so that those, those duties have -- are no
15 longer needed for Shred-it.

16 Q. What about Quick Print; did you do anything for
17 Quick Print this past week?

18 A. Yes. Yeah.

19 Q. What do you do for Quick Print?

20 A. The only thing I do for Quick Print is just
21 conduct the actual fingerprinting process. That doesn't
22 take too much time.

23 Q. Do you know whether C.A. Magri did any work for
24 Quick Prints in the last week?

25 A. He has not.

1 Q. Do you know when the last time was that he did
2 work for Quick Print?

3 A. He has never done any, any duties for Quick
4 Print.

5 Q. I believe, you testified that he did. Am I
6 mistaken?

7 A. No, I said that it's myself and Dustin Altheide
8 and Sarah Haslip were the only ones who conducted
9 fingerprinting.

10 Q. Okay. I apologize.

11 MS. PALMER: Pardon me. The court's indulgence
12 for just one moment.

13 BY MS. PALMER:

14 Q. Ms. Haslip, do you understand the requirements
15 of the registration that you are required to maintain
16 with the Private Investigator's Licensing Board?

17 A. I'm Ms. Hegdahl. So can you address it under
18 Hegdahl, please?

19 Q. I'm sorry. Do you understand the requirements?

20 A. Of what? Can you repeat the question?

21 Q. For the roster?

22 A. Yes, I do.

23 Q. Okay. Do you understand, do you understand
24 what the requirements are regarding the employee roster
25 that your company is supposed to supply to the Private

1 Investigator's Licensing Board?

2 A. I do.

3 Q. And can you please tell us what that is
4 generally?

5 A. Yeah, once an employee becomes provisional, or
6 once we hire somebody who already has their PILB, I've
7 got three days to hire them onto the ESI roster.

8 Q. And that's pursuant to NRS 648.140, just for
9 the record. And that's subsection C.

10 And you specifically refer to "employee." So
11 if you are not an employee of ESI, why would you be
12 listing yourself on the roster for ESI?

13 A. As I had stated before, if I have to go work
14 out in the field. Let's say, Jason's doing an audit and
15 sees me conducting a security-related function, he would
16 then write down my name. And if he saw that I was not
17 registered on the roster, that could potentially be a
18 violation as well. So it's either way.

19 Q. So does -- in your opinion, does that trip out
20 into the field transform your relationship from an
21 employee of Events Services into an employee of ESI
22 Security?

23 A. No, I'm, obviously, still an employee of Events
24 Services representing ESI. You know, in honesty, it's
25 just I was just trying to -- to cover my bases. So

1 since I've never had to do anything out in the field, we
2 haven't had -- been presented with that situation. So
3 I'm not prepared for that. But at this point, I've
4 never had to, to perform those functions, so I haven't
5 had to come across that situation.

6 Q. So are you saying, then, that the employee
7 roster is not reliable as to whether or not the
8 individuals are actual employees of ESI Security?

9 A. They are. I respect the process of the roster
10 for sure.

11 Q. Then, why are you on it if you're not an
12 employee?

13 MR. CAMPBELL: Asked and answered now for the
14 third time, I think. Counsel's being redundant.

15 MS. PALMER: Okay. Then, she is not answering
16 my question. Then, the question that she isn't -- well,
17 let me finish, please.

18 The question that she isn't answering, then, is
19 the reliability of the roster.

20 MR. CAMPBELL: She just answered that.

21 MS. PALMER: The roster cannot both be reliable
22 as to employees of ESI Security and at the same time
23 include her name if she's testifying that she's not an
24 employee.

25 ///

1 BY MS. PALMER:

2 Q. So which is it, is the employee roster
3 unreliable, or are you an employee of ESI Security?

4 MR. CAMPBELL: That's argumentative and needs a
5 legal conclusion. She's testified that she's the only
6 one on it. You're asking her -- you're arguing that
7 it's unreliable because her on it. You can argue that,
8 counsel, but I don't think she's -- I don't think it's a
9 proper question for her.

10 MS. BRADLEY: So, Mr. Chair, normally, the
11 argumentative objection has to do with arguing something
12 that they should be arguing later, it isn't really a
13 question. So, I think, it's up to you to rule on that
14 objection.

15 BOARD CHAIRMAN ZANE: I'm going to sustain the
16 objection.

17 BY MS. PALMER:

18 Q. You can answer.

19 MR. CAMPBELL: No, you cannot. It was
20 sustained.

21 MS. PALMER: I'm sorry. It's sustained. Okay.

22 All right. I'm done with my cross-examination.
23 Thank you.

24 BOARD CHAIRMAN ZANE: Mr. Campbell.

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REDIRECT EXAMINATION

BY MR. CAMPBELL:

Q. Ms. Hegdahl, just a limited area of redirect here. You've been working for Events Services for two and a half years or so, you said, as a -- in the employee relations area?

A. M-hm (affirmative).

Q. Did you work for -- in employment-related fields before that time?

A. In an HR field?

Q. Yes.

A. For a different company?

Q. Yes.

A. Yes.

Q. How long have you been in the HR field?

A. We're going on about three and a half, four years.

Q. Okay. Have you ever seen in the HR field where a company will outsource functions, like payroll, recruiting, things like that?

A. Sure. I never worked with a company that did it, but it's very common in the HR field.

Q. Okay. And would you consider, say, if a company outsourced a recruiting company, that they would then be representing that company and recruiting

1 recruits?

2 A. Yes.

3 MS. PALMER: I'm going to object on the basis
4 that this exceeds the scope of redirect.

5 MR. CAMPBELL: You cross-examined her for about
6 10 minutes on the word "representation." I'm asking her
7 what she's -- I'm asking, getting her clarification on
8 what she sees as a representative function.

9 MS. BRADLEY: Well, in an administrative
10 hearing, the scope of direct, I mean that's not a
11 relevant objection.

12 MR. CAMPBELL: Yeah.

13 MS. BRADLEY: It's not limited that way. 233B
14 specifically says you can question the witness about
15 anything. It's not limited.

16 BY MR. CAMPBELL:

17 Q. So would you believe that --

18 MS. BRADLEY: Mr. Chair, I don't know if you
19 ruled on that yet.

20 MR. CAMPBELL: Yeah.

21 MS. PALMER: I'll withdraw the objection. I
22 trust you on that.

23 BY MR. CAMPBELL:

24 Q. So would you view a third-party recruiting
25 company, a recruiting companying in general, as a

1 representative of that company to recruit for them?

2 A. Yes.

3 Q. Okay. How about an outside payroll company
4 that did payroll services for a company; would you
5 consider them as a representative of that company?

6 A. Yes.

7 Q. Then, how about somebody like myself, who
8 represents ESI Security, am I a representative of that
9 company?

10 A. Yes.

11 Q. Is that what you meant by "representative"?

12 A. Yes.

13 MR. CAMPBELL: That's all I have. Thank you.

14 MS. PALMER: One question.

15

16 RE-CROSS-EXAMINATION

17 BY MS. PALMER:

18 Q. Ms. Hegdahl, when you -- in relation to what
19 you were just being questioned by, by Mr. Campbell, when
20 you see a company working in a representative capacity
21 of another company, do they use the signature block of
22 the company that they're representing or that the
23 company that they are employed by?

24 A. Like I say, I never worked for a company that
25 did it. It's just a familiar practice, and I'm not sure

1 what their practice is once they are representing that
2 company specifically.

3 MS. PALMER: All right. Thank you.

4 MR. CAMPBELL: That's all I had. Thank you.

5 MS. BRADLEY: So it's now time --

6 BOARD CHAIRMAN ZANE: Thank you.

7 MS. BRADLEY: It's now time for the Board to
8 ask questions of this witness.

9 I would also remember -- and I apologize to
10 both counsel. We finished with Mr. Hendi this morning,
11 but I don't know that we allowed the Board to question
12 him. So I don't know if we should go back and do that
13 once we finish with this witness, just in case the Board
14 does have questions for him. And I apologize for not
15 catching that.

16 MR. CAMPBELL: That's fine with me.

17 MS. BRADLEY: Okay.

18 BOARD CHAIRMAN ZANE: Do any of the Board have
19 questions for the current witness?

20 BOARD MEMBER FLYNN: Yeah, I do.

21 BOARD CHAIRMAN ZANE: Member Flynn, please.

22 BOARD MEMBER FLYNN: Ms. Hegdahl,
23 approximately, to your knowledge only, how many
24 employees work for ESI?

25 THE WITNESS: Off the top of my head, 200, give

1 or take.

2 BOARD MEMBER FLYNN: And how many employees
3 work for Events Services? Again, an approximation. And
4 you're the HR manager.

5 THE WITNESS: Sure. Around a hundred, give or
6 take.

7 BOARD MEMBER FLYNN: And how many employees
8 work for Quick Print?

9 THE WITNESS: None. We're just -- none.

10 BOARD MEMBER FLYNN: So no employees work
11 directly for Quick Print?

12 THE WITNESS: No employees are paid directly
13 through Quick Print, but they're -- we're
14 representatives of Quick Print that provide those
15 services.

16 BOARD MEMBER FLYNN: And which employees were
17 those?

18 THE WITNESS: That's -- that represent the
19 Quick Print, you said?

20 BOARD MEMBER FLYNN: That work for Quick Print
21 or do the Quick Print functions?

22 THE WITNESS: For the Quick Print functions,
23 it's myself and Dustin Altheide and, at the time, was
24 Sarah Haslip as well.

25 BOARD MEMBER FLYNN: Okay. And how many total

1 employees of your company are engaged in recruiting?

2 THE WITNESS: That would be myself and C.A.

3 BOARD MEMBER FLYNN: I couldn't hear you.

4 There's some background here.

5 THE WITNESS: It would be myself and C.A.

6 BOARD MEMBER FLYNN: And in the course of a
7 year, where would you say the majority of your time is
8 spent, with either ESI or Events Services?

9 THE WITNESS: Again, it depends on the time of
10 the year and the demands of the business at the time,
11 the company at the time.

12 BOARD MEMBER FLYNN: I'll accept your answer.
13 But I command an HR function of 5,000 employees. I knew
14 which division at the end of the year I spent the
15 majority of my time. But I appreciate your answer.
16 Thank you.

17 THE WITNESS: Thank you.

18 BOARD CHAIRMAN ZANE: Any other Board
19 questions?

20 BOARD MEMBER COLBERT: Mr. Chair, I have a
21 question.

22 BOARD CHAIRMAN ZANE: Please, sir, Mr. Colbert.

23 BOARD MEMBER COLBERT: Do you know how long
24 the -- for the recruitment factor, that you've been
25 using that signature line at the bottom, indicating that

1 it's ESI when it's actually Events Services?

2 THE WITNESS: Like I said a little bit
3 earlier --

4 BOARD CHAIRMAN ZANE: Could we have --

5 MS. BRADLEY: Did you guys hear that?

6 BOARD CHAIRMAN ZANE: Could we have a -- we
7 have an immediate situation here. We need to take a
8 break.

9 MS. BRADLEY: Oh, okay.

10 BOARD CHAIRMAN ZANE: All right. Thank you.

11 BOARD MEMBER COLBERT: Okay.

12 * * * * *

13 (A break was taken, 10:13 to 10:20 a.m.)

14 * * * * *

15 BOARD CHAIRMAN ZANE: Okay. Are we ready to go
16 back in the north?

17 BOARD MEMBER COLBERT: Yes, we are.

18 MS. BRADLEY: Yes, we are ready.

19 BOARD CHAIRMAN ZANE: Mr. Colbert.

20 Mr. Colbert, I apologize. If you could restate your
21 question, please.

22 BOARD MEMBER COLBERT: Yes, sir.

23 Ms. Hegdahl, Ms. Hegdahl, I was wondering, how
24 many years has Events Services been using the ESI
25 Security Services signature page, or line on their email

1 responses to the PILB? I know you've answered that
2 before, but I just want to get that clarified for me.

3 THE WITNESS: Always. It's always been that
4 way.

5 BOARD MEMBER COLBERT: What do you mean; can
6 you give me a time frame?

7 THE WITNESS: Well, since I've been there.
8 When I started on, they were using it. I don't know, I
9 can't speak for beforehand, but.

10 BOARD MEMBER COLBERT: Okay.

11 THE WITNESS: But when I got there about two
12 and a half years ago, they were using it.

13 BOARD MEMBER COLBERT: All right. Thank you.
14 No further questions.

15 BOARD CHAIRMAN ZANE: Any other Board
16 questions?

17 BOARD MEMBER COLLINS: No.

18 BOARD MEMBER FLYNN: No, sir.

19 BOARD CHAIRMAN ZANE: Okay. Thank you.

20 THE WITNESS: Thank you.

21 MR. CAMPBELL: You've been excused.

22 MS. BRADLEY: Yes, so that witness is being
23 excused.

24 And then, if the Board has any questions for
25 Mr. Hendi. I realized, as we were questioning this

1 witness, that we hadn't given you that opportunity. So
2 now would be a good time, before Mr. Campbell calls his
3 next witness.

4 BOARD CHAIRMAN ZANE: Thank you.

5 Is there any Board questions for Mr. Hendi?

6 BOARD MEMBER COLBERT: I have one.

7 BOARD MEMBER FLYNN: Yeah, I do.

8 BOARD MEMBER COLBERT: Go ahead, Mr. Flynn.

9 BOARD CHAIRMAN ZANE: We'll start with
10 Mr. Colbert, please.

11 BOARD MEMBER COLBERT: Okay.

12

13

M A H M O U D H E N D I,

14

having been previously duly sworn/affirmed,

15

was examined and testified as follows:

16

17

18

BOARD MEMBER COLBERT: Mr. Hendi, you mentioned
that there had been a mistake at one point with the
investigator, the PILB investigator confusing Events
19 Services with ESI Security?
20

21

THE WITNESS: Correct.

22

23

BOARD MEMBER COLBERT: Okay. How long ago did
that occur?

24

25

MR. HENDI: It's not just one incident. It
happened a couple of times.

1 BOARD MEMBER COLBERT: Okay. And do you know
2 why; was there some specific reason why there's a
3 confusion factor there, why they didn't know one from
4 the other?

5 MR. HENDI: Sometimes, one incident, they
6 didn't ask them what their work duties or
7 responsibilities. The uniform was very clear. And they
8 made the assumption that they are doing a security
9 function. It was, the circumstances was inside a free
10 event, at a special event, standing at the front doors
11 within -- at a door within the event, and handing people
12 plastic cups for their alcohol, their glass. And he
13 assumed that they're doing a security function.

14 BOARD MEMBER COLBERT: Okay. But the clothing
15 indicated that they were either --

16 MR. HENDI: Very clear.

17 BOARD MEMBER COLBERT: All right. And how long
18 ago was that?

19 THE WITNESS: I think, the last incident,
20 probably in August of this year.

21 BOARD MEMBER COLBERT: Okay. Yeah. Thank you.
22 I have no further.

23 BOARD CHAIRMAN ZANE: Mr. Flynn, please.

24 BOARD MEMBER FLYNN: Mr. Hendi, when did you
25 become aware of that, the citation?

1 MR. HENDI: Sometime in June.

2 BOARD MEMBER FLYNN: And since that time, did
3 you ever consider just to get these employees registered
4 with the PILB?

5 MR. HENDI: You're referring to Ms. Haslip and
6 Mr. Magri?

7 BOARD MEMBER FLYNN: Yes, sir.

8 MR. HENDI: It was always my understanding that
9 since not, they're not employees of ESI, they did not
10 need to. But the bigger issue is we wanted the
11 guidance. And that's why we asked for the guidance, to
12 give us the right direction. And we never received it.

13 BOARD MEMBER FLYNN: Okay. So, but that's my
14 question. Should I interpret that as you never
15 considered to get them registered with the PILB after
16 the citation?

17 MR. HENDI: It was an option for sure that if
18 they requested us to go in that direction, we would have
19 done the same, we would have done that.

20 BOARD MEMBER FLYNN: Okay. You're not
21 answering my question, but I appreciate your attempt.
22 Thank you.

23 BOARD CHAIRMAN ZANE: Any other Board
24 questions?

25 BOARD MEMBER COLLINS: No.

1 BOARD MEMBER COLBERT: No.

2 BOARD CHAIRMAN ZANE: I have one, I believe
3 just one. When did you become a licensee, what year?

4 MR. HENDI: 1994.

5 BOARD CHAIRMAN ZANE: In 1994, was there a
6 requirement that your administrative or clerical people
7 be registered employees of the PILB?

8 MR. HENDI: The honest truth, I don't remember
9 that far.

10 BOARD CHAIRMAN ZANE: Did you -- do you
11 understand that at a certain point in time all employees
12 of a licensee were required to become registered?

13 MR. HENDI: Correct.

14 BOARD CHAIRMAN ZANE: Would it be fair to say
15 that your interpretation would be that if any unrelated
16 third party could legally provide a service to one of
17 your corporations, without being subject to licensing by
18 the PILB, that you, in turn, under the auspices of a
19 separate corporation, could provide that service as an
20 entity not related to the licensee? Would that be fair
21 to say, if I didn't confuse you?

22 MR. HENDI: Correct. Correct. It just -- I
23 understand that several other companies use a third
24 party for those functions. It just happened to be a
25 business decision on my part to own those, that company.

1 BOARD CHAIRMAN ZANE: So would it be able to be
2 fair to say that you saw an opportunity to do what other
3 third parties would and might do without being in
4 violation, by utilizing a separate nonlicensed
5 corporation?

6 MR. HENDI: It's a separate third entity,
7 third-party company. So that's what we were going for,
8 to facilitate and be able to take advantage of several
9 things at the same time, to be able to provide services
10 that could be done a little bit better.

11 BOARD CHAIRMAN ZANE: That's all I have. Thank
12 you.

13 I believe, that's the end of the Board
14 questions.

15 MR. CAMPBELL: I have no further witnesses.

16 MS. BRADLEY: Oh, okay.

17 So it sounds like Mr. Campbell is resting his
18 case, finished his case.

19 BOARD CHAIRMAN ZANE: Okay. And we have a
20 rebuttal?

21 MS. PALMER: We do. I would like to call
22 Mr. Ingram.

23 BOARD CHAIRMAN ZANE: May the record reflect
24 that Mr. Ingram is still sworn.

25 ///

1 K E V I N I N G R A M,
2 having been previously duly sworn/affirmed,
3 was examined and testified as follows:

4
5 DIRECT EXAMINATION ON REBUTTAL

6 BY MS. PALMER:

7 Q. Mr. Ingram, you heard one of the Board members
8 ask Mr. Hendi about an incident where your staff may
9 have confused working an Events Services employee as an
10 ESI Security employee. Are you familiar with that
11 particular instance that he spoke about where the
12 individual was pouring drinks into a plastic cup as
13 people were exiting a casino?

14 A. I'm aware of that situation. However, that is
15 a citation that's been issued. And it is currently
16 going to be appealed. So it's for future review of the
17 Board. So that's a case that has happened since all of
18 this.

19 BOARD MEMBER FLYNN: I'm a little confused.
20 Can you repeat that, please?

21 THE WITNESS: Yes. The situation that
22 Mr. Hendi is referring to --

23 BOARD MEMBER FLYNN: Yeah.

24 THE WITNESS: -- is a citation that's currently
25 pending and being appealed on Mr. Hendi and counsel.

1 BOARD MEMBER FLYNN: Okay.

2 THE WITNESS: For future.

3 BOARD MEMBER FLYNN: Okay. For future. All
4 right.

5 MS. PALMER: The Court's indulgence for just a
6 moment.

7 BOARD MEMBER COLLINS: So that one is totally
8 separate from this situation but in addition to?

9 MS. BRADLEY: Well, the facts of that case
10 aren't something that you want to decide today. But
11 Mr. Hendi did mention it, which is why, I think, you
12 know, this is an appropriate question. But we probably
13 do want to try to steer away from that, because the
14 Board, we don't want to taint the Board on a matter they
15 haven't heard yet.

16 MS. PALMER: Okay. I'd like to ask a question
17 that won't, shouldn't taint the Board as to that, and
18 because Mr. Hendi represented that this was a mistake
19 that the staff made.

20 MS. BRADLEY: Yeah.

21 BY MS. PALMER:

22 Q. So my question would just be, is it staff's
23 position that there was not a mistake made?

24 A. That's correct.

25 MS. PALMER: Okay. Thank you.

1 And that's okay?

2 MS. BRADLEY: Yeah, I think, that's fine.

3 MS. PALMER: All right.

4 BY MS. PALMER:

5 Q. Mr. Ingram, are you aware of other instances in
6 the past where Events Services were -- people that were
7 being represented as Events Services employees were
8 actually doing a security function?

9 A. Yes.

10 Q. Can you describe some of the situations and
11 what it is that your staff found?

12 A. Well, those were parts of the violations, those
13 violations that were taken care of through the
14 stipulated agreement. But they were -- the individuals
15 working for Events Services were preventing ingress and
16 egress without security personnel with them. That would
17 be the majority of what I can recall, that actually
18 performing a security function as an events staff in an
19 events -- I'm sorry, Events Services in an Events
20 Services uniform.

21 Q. So there was not confusion between whether the
22 employee was an Events Services individual or an ESI
23 Security individual, at least outwardly; it was merely
24 because your staff observed Events Services, a person in
25 an Events Services uniform performing a security

1 function?

2 A. That's correct, they were actually observed.

3 Q. Okay. Mr. Ingram, I have an exhibit in the
4 witness book. It's Exhibit Number 22. It hasn't been
5 admitted.

6 And does everybody -- do you have access to
7 Exhibit 22? I know the Board doesn't have it yet. Do
8 you have it up there?

9 MS. BRADLEY: I'm looking at staff to see.

10 MR. INGRAM: That would be in the information
11 that Jason has.

12 MS. BRADLEY: Yeah, I think, staff has it.

13 BY MS. PALMER:

14 Q. All right. Mr. Ingram, are you familiar with
15 the document that is Exhibit 22?

16 A. Yes.

17 Q. Without disclosing the contents of the
18 document, can you describe what the document is?

19 MS. BRADLEY: Sorry. Just for the record, does
20 Mr. Campbell have a copy of 22?

21 MR. CAMPBELL: Yes, I do.

22 MS. BRADLEY: Oh, okay. Sorry. Thank you.

23 THE WITNESS: It's an agreement between
24 Department of Public Safety and ESI Security Services.

25 ///

1 BY MS. PALMER:

2 Q. And did you obtain this document?

3 A. Yes, I have.

4 Q. How did you obtain the document?

5 A. Through the Department of Public Safety.

6 Q. And is it something that you kept in the
7 ordinary course of business?

8 A. Yes, it is.

9 MS. PALMER: Mr. Campbell, do you have an
10 objection to this document?

11 MR. CAMPBELL: I don't have any objection.

12 BY MS. PALMER:

13 Q. Okay. Can you please describe the
14 circumstances that this document came into your
15 possession, Mr. Ingram?

16 MS. BRADLEY: Are you asking --

17 MS. PALMER: Okay. I'm sorry. We need to --
18 may we get the exhibit admitted?

19 BOARD CHAIRMAN ZANE: It'll be admitted.

20 (Exhibit 22 was admitted.)

21 MS. BRADLEY: Thank you.

22 MS. PALMER: Sorry.

23 THE WITNESS: Well, recently --

24 MS. PALMER: Hang on. Hang on. Let me get the
25 exhibit.

1 THE WITNESS: Oh.

2 MS. PALMER: Is everybody happy up in the
3 north?

4 MS. BRADLEY: Yes.

5 BOARD MEMBER COLBERT: Yes.

6 BY MS. PALMER:

7 Q. All right. Do you remember my question,
8 Mr. Ingram?

9 A. If you can repeat it, I'd appreciate it.

10 Q. I asked you how, what the circumstances were
11 that you came to be into possession of this document.

12 A. Thank you. Recently, our -- we have a new
13 fingerprint specialist here in --

14 (The Reporter interrupted and requested that
15 Mr. Ingram speak louder in Las Vegas.)

16 THE WITNESS: Thank you. Yeah, my ears are
17 plugged, so I'm afraid I'm talking too loud. So thank
18 you.

19 Recently, our fingerprint specialist had a
20 question for Chief Irizarry in regards to some
21 fingerprints that had been processed that we had
22 received payment for, as part of her function auditing
23 the fingerprints. And then Chief Irizarry met with her.
24 She noticed on the actual invoice that, this process,
25 that ESI Security Services was showing up on the

1 Department of Public Safety invoice that we pay. And so
2 she came to me and asked me about it, and I said, "Well,
3 no, Quick Print is the entity that's set up to do the
4 fingerprints for ESI Security Services."

5 And after a little bit of discussion, I decided
6 I'd better reach out and do a little bit more
7 investigation. So I personally went to the Secretary of
8 State's website, and that's where I saw that Quick
9 Print, Inc. is an entity with the Secretary of State.
10 So I thought, well, that's kind of odd.

11 So I contacted DPS, and I got ahold of the
12 supervisor there and asked her to provide me information
13 on how exactly Quick Print was set up with them. And
14 what they provided me was this document that actually
15 Quick Print is a dba for ESI Security Services, Inc.,
16 and nothing more than a dba with them, but the actual
17 O4I number was given to ESI Security Services.

18 So when I gathered that information, we, again,
19 went back to looking at some of the signatures, as the
20 example where the exhibit that was provided earlier from
21 the nursing board, where Sarah Haslip had actually
22 processed the fingerprints. Well, if ESI Security
23 Services is actually the entity that's set up with DPS,
24 then anyone that is conducting fingerprints under the
25 DBA Quick Prints would have to have a work card with us,

1 because they're actually an ESI employee by performing
2 that function.

3 BY MS. PALMER:

4 Q. And, Mr. Ingram, if you'd look at that first
5 page marked number 184.

6 A. Yes.

7 Q. Down below, main point of contact, who's listed
8 as the main point of contact?

9 A. Mike Hendi.

10 Q. And he is -- what is his title?

11 A. CEO.

12 Q. And do you have an understanding whether that's
13 indicating that he is the CEO of ESI Security or Quick
14 Print, or both?

15 A. ESI Security Services, DBA Quick Print.

16 Q. And underneath his information, there's an IT
17 point of contact listed. And who is that individual?

18 A. Dustin Altheide.

19 Q. And were you present when you heard Ms. Hegdahl
20 testify that Dustin Altheide was the IT manager for ESI
21 Security and that he did perform the fingerprinting
22 function?

23 A. Yes.

24 Q. And what did she say about the entity that he
25 was employed by?

1 A. ESI Security Services.

2 Q. Do you recall what she said in regards to
3 whether or not Quick Prints had any employees?

4 A. I believe, her testimony was that they had
5 none.

6 Q. And if you would turn to -- I believe, it's
7 Exhibit F.

8 And this contains an employee roster of ESI
9 Security that is maintained with the Private
10 Investigator's Licensing Board as of 12-4 of 2015?

11 A. M-hm (affirmative).

12 Q. And if you will turn to the page at the bottom
13 that is marked "1 of 14."

14 A. Yes.

15 Q. Do you see Mr. Altheide's name on there?

16 A. Yes.

17 Q. And what does that indicate to you?

18 A. That he is an employee of ESI Security
19 Services.

20 Q. And I believe that Ms. Hegdahl testified that
21 she did fingerprinting for Quick Print, ESI Security,
22 whatever company it is; is that correct?

23 A. Yes.

24 Q. Is she listed as an employee of ESI Security?

25 A. On this roster? Or currently?

1 Q. Currently.

2 A. She is currently.

3 Q. And Ms. Haslip, we saw from Exhibit 21, page
4 marked 182. And there was testimony that she was
5 performing a fingerprinting function. Is that correct?

6 A. Ms. Haslip, yes.

7 Q. And she is the individual that we are here
8 today on the notice of violation that's being appealed;
9 is that correct?

10 A. That's correct.

11 Q. And that's because she is not registered as an
12 employee or was not registered at that time as an
13 employee of ESI Security?

14 A. That's correct.

15 Q. Is she currently registered as an employee --

16 A. No.

17 Q. -- of ESI Security?

18 A. No.

19 MS. PALMER: May I have the Board's indulgence
20 for a moment, please.

21 BOARD CHAIRMAN ZANE: Please.

22 MS. PALMER: Thank you, Mr. Chairman, members
23 of the Board. We'll pass the witness.

24 BOARD CHAIRMAN ZANE: Mr. Campbell?

25 MR. CAMPBELL: Yeah.

1 CROSS-EXAMINATION ON REBUTTAL

2 BY MR. CAMPBELL:

3 Q. Mr. Ingram, do you have Exhibit 22 in front of
4 you there?

5 A. Yes, sir.

6 Q. And you said on the top part of it, it says
7 "ESI Security Services, Inc. dba Quick Print." You got
8 this from the Department of Public Safety --

9 A. Yes.

10 Q. -- right? Could you check the date on this
11 document?

12 A. Okay.

13 Q. And what's it dated?

14 A. This one's dated 1-20-2014.

15 Q. If you look at Exhibit Number 19.

16 A. Okay.

17 Q. Page 145, Bates stamp number 145.

18 A. Yes, sir.

19 Q. Do you see at the very top of the page the date
20 that Quick Print was incorporated?

21 A. Yes.

22 Q. And what is that date?

23 A. 5-21-2014.

24 Q. So they were incorporated after they filed the
25 Public Safety document, right?

1 A. That's correct.

2 Q. Do you know if they've updated that?

3 A. I was going to say, and that's why the dba is
4 handwritten at the top, because they updated with DPS to
5 do DBA as Quick Print. And that's why that's
6 handwritten in, because they updated it after they
7 incorporated. However, they did not change the entity
8 with DPS.

9 Q. Well, they hadn't updated after they
10 incorporated. They filed on this thing. This is dated
11 in 2014, before they were incorporated, right?

12 A. Correct.

13 Q. Okay. Let's move to the -- your testimony
14 about the -- I guess, you were trying to rebut
15 Mr. Hendi's assertion that Events Services employees do
16 not work for ESI Security. And you said you had a
17 couple of incidences that you think were resolved
18 through the stipulation. Is that correct?

19 A. Yes.

20 Q. And you said those instances were where an
21 Events Services employee was at an event and doing
22 ticket checking and -- I think, is was you said, which
23 crossed over to what you viewed as a security function?

24 A. Correct.

25 Q. Isn't that a citation against Events Services

1 for doing unlicensed work, not an ESI Security
2 violation?

3 A. Well, that's an excellent question.
4 Originally, ESI Security was being given a citation,
5 because they were owned by the same company. It wasn't
6 until Mr. Smith pointed out that it was actually a
7 citation that should have been given to Events Services
8 for unlicensed activity. So under his direction that
9 that's the way he would prefer we do it, we started
10 issuing unlicensed activity citations to Mr. Hendi for
11 Events Services as well. And prior to that conversation
12 with Mr. Smith, we were issuing them to ESI Security
13 Services.

14 Q. And the stipulation resolved a complaint
15 against ESI Security Services, right?

16 A. Yes, it resolved all of the outstanding notice
17 of violations that had not been appealed, correct.

18 MR. CAMPBELL: That's all I have. Thank you.

19 BOARD CHAIRMAN ZANE: Anything additional?

20 MS. PALMER: No.

21 BOARD CHAIRMAN ZANE: Okay. Any other
22 witnesses?

23 MS. PALMER: Not for us. Board questions.

24 BOARD CHAIRMAN ZANE: Does the Board have any
25 questions for Mr. Ingram?

1 BOARD MEMBER COLBERT: Nothing in the north.

2 BOARD MEMBER FLYNN: I do not.

3 BOARD CHAIRMAN ZANE: Okay. I guess, we'll go
4 to closing statements, if you have any.

5 MS. PALMER: Can we take a break?

6 BOARD CHAIRMAN ZANE: Sure.

7 MS. PALMER: So that I can gather my thoughts?

8 MR. CAMPBELL: Mr. Chairman, before we take a
9 break and move to that, because of the seriousness of
10 this matter and the resulting consequences that could
11 occur out of this hearing, and the fact that now we're
12 into I don't know how many hours of testimony, I would
13 suggest or recommend that we do closing briefs,
14 simultaneous closing briefs.

15 I've heard a lot of references in the record
16 that I don't have a line and cite to but, I think,
17 should be part of the closing argument, so we have a
18 full record in this case. I think, it's an important
19 enough case, and there's been enough testimony, that
20 instead of closing arguments, simultaneous closing
21 briefs would be a lot more helpful to the Board and
22 would give a lot, fair shake to both parties in making
23 their arguments, instead of just a 10-minute break here.

24 BOARD CHAIRMAN ZANE: Ms. Palmer.

25 MS. PALMER: I'm going to object to that. I --

1 this is just another stalling tactic. They have had --
2 this issue started in November of 2015. We have given
3 them every single opportunity to become compliant, to
4 reach out to us, to the Private Investigator's Licensing
5 Board staff with any questions that they have.

6 They agreed to a stay of revocation. They know
7 that they've agreed to that stay of revocation. And if,
8 in fact, they violated that, the stay will be lifted and
9 the license will be revoked.

10 They also know that there are months in between
11 each one of these meetings and that the longer that they
12 can delay the proceedings, the longer that he can remain
13 in businesses, and the longer that the public is placed
14 in jeopardy.

15 He -- I mean I don't want to get into my
16 closing arguments, but there is, essentially -- he is
17 the alter ego of all of these companies. He is not
18 reporting information accurately. He is moving
19 employees around as he needs them.

20 I can certainly keep all of the testimony
21 straight. I believe that the Board can keep the
22 testimony straight. And he can sum up what that
23 testimony is. I certainly managed to do it. And I
24 think, you know, I've had a lot more to contend with
25 than he has.

1 MR. CAMPBELL: This is no stalling tactic,
2 Mr. Chairman. Ms. Palmer and I have already stipulated
3 that Mr. Hendi's license is not going to be revoked
4 until the full 233B appeal process goes through. So
5 we're several years out here, if he loses this case
6 through the appeal of the courts, as to whether they're
7 going to take his license away. But it's not a stalling
8 tactic in any way whatsoever.

9 This is a very complex case. There's a lot
10 riding on this for Mr. Hendi. There's a lot riding on
11 it for his customers. And to give short shrift to a
12 record that's, you know, two and a half days lengthy,
13 with numerous exhibits and a lot of testimony, I just
14 think it would be much more beneficial to the Board to
15 have these arguments in a succinct fashion in a brief
16 that could be filed within a couple of weeks by the time
17 the court reporter got her transcript to us.

18 MS. BRADLEY: So, Mr. Chair --

19 MS. PALMER: Mr. Chairman.

20 Ms. Bradley, may I just respond to that
21 briefly, please?

22 MS. BRADLEY: Sure.

23 MS. PALMER: This is an appeal of a notice of
24 violation. I understand that there is a connection
25 between the complaint and the notice of violation. But

1 he can make that argument when it comes to the
2 complaint. As he's indicated, there's going to be years
3 of appeal, in which case we can get this done today. We
4 can decide whether or not they actually violated the
5 statute. And then he can proceed on any appeal that he
6 wants. But there's absolutely no reason to delay these
7 proceedings so that a short closing argument can be
8 made.

9 MR. CAMPBELL: Well, one more response. I hope
10 that Ms. Palmer's not presupposing that the Board is
11 going to make a decision on this today.

12 MS. PALMER: You mentioned the appeal. I
13 didn't.

14 MR. CAMPBELL: Yeah, you just said that you
15 wanted to get this done so the Board can make a
16 decision. I'm hoping the Board will take some time to
17 look at this matter and not make a decision, and have
18 all the information in front of it to make a decision.
19 Because, quite frankly, this is going to be used in the
20 complaint process. And, I think, we have every right to
21 make sure that we have a full record in this case, so
22 that the Board does make a full and informed decision.

23 MS. BRADLEY: So, Mr. Chair, then --

24 BOARD MEMBER FLYNN: Am I allowed to ask a
25 question?

1 MS. BRADLEY: Yes, you can ask a question.

2 BOARD MEMBER FLYNN: The question is of you,
3 ma'am.

4 MS. BRADLEY: Yes.

5 BOARD MEMBER FLYNN: I've heard numerous times
6 about the possibility of revocation. Is the Board
7 allowed to come up with something different if we make
8 that decision?

9 MS. BRADLEY: I think, the Board has the power
10 to do what it would like with regard to that. The --

11 BOARD MEMBER FLYNN: Okay.

12 MS. BRADLEY: The previous --

13 BOARD MEMBER FLYNN: You answered my question.
14 Thank you.

15 MS. BRADLEY: Okay.

16 BOARD MEMBER FLYNN: Thank you.

17 MS. BRADLEY: And, I guess, I just wanted to
18 outline for the Chair. So there's been a request for a
19 written brief, which would be, essentially, summarizing
20 everything in a closing argument. There's been an
21 objection to that from the state.

22 The benefit to the Board, I mean trying to
23 think of reasons you would go either way, obviously,
24 what the written statement would do would give a more
25 complete record. And I do think that most likely this

1 is going to be appealed. I mean depending on how it
2 goes, I think, there's a high likelihood that there
3 might be that. So, you know, I think, it could be a
4 benefit to the Board to have a more complete record.

5 At the same time, I understand what Ms. Palmer
6 is saying is that, you know, this has been going on for
7 a while, and, normally, we just do an oral argument, and
8 so that should be sufficient.

9 So, I think, it's up to you what you would like
10 to allow.

11 BOARD CHAIRMAN ZANE: From my perspective,
12 these, item number three and item number four, are
13 completely separate and distinct items. So I don't
14 necessarily see this as that, a difficult or -- I don't
15 see this as needing any additional briefing as far as
16 the charge associated with this particular item.

17 So I think that we should just go to closing
18 arguments and get this wrapped up, and then we move on
19 to number four, which is a totally distinct, separate
20 issue.

21 MS. BRADLEY: Okay. So then, I think,
22 Ms. Palmer had asked for a brief recess before the
23 closing arguments.

24 And I had just wanted to clarify on the record
25 that Mr. Campbell didn't have a rebuttal case or any

1 other witnesses.

2 MR. CAMPBELL: No, we do not.

3 MS. BRADLEY: Yeah. So, I think, we are ready
4 for closing, then. And if it's your pleasure,
5 Mr. Chair, maybe give a recess.

6 BOARD CHAIRMAN ZANE: Please, if we could take
7 20 minutes. Do you want to give them more?

8 MS. BRADLEY: Well, how long would the parties
9 like? I mean it's 10:52 right now. I mean it might be
10 nice to have closing arguments before lunch, if we can.
11 But I don't know.

12 BOARD CHAIRMAN ZANE: So 30 minutes?

13 MS. PALMER: Thirty minutes is fine.

14 MR. CAMPBELL: That would be fine.

15 BOARD CHAIRMAN ZANE: All right. We'll be on a
16 break for 30 minutes.

17 * * * * *

18 (A break was taken, 10:53 to 11:35 a.m.)

19 * * * * *

20 BOARD CHAIRMAN ZANE: Are we ready in the
21 north?

22 BOARD MEMBER COLBERT: Yes, we are.

23 BOARD CHAIRMAN ZANE: Thank you.

24 Okay. We're back in session. And we're
25 looking for closing statements, please.

1 MS. PALMER: Thank you, Mr. Chair.

2 We are here because ESI Security received a
3 violation for failing to comply with NRS 648.060, which
4 requires all employees of a licensee to be registered
5 with this Board.

6 In my opening statement back in September of
7 this year, I told you that ESI Security would not
8 dispute that Sarah Haslip and C.A. Magri are employed by
9 Mr. Hendi and that they recruited employees for ESI
10 Security. I also told you that Mr. Hendi would not
11 dispute that the two of them were not registered
12 pursuant to NRS 648.060.

13 And the testimony that you heard from Mr. Hendi
14 himself, as well as Amanda Hegdahl, confirmed these two
15 assertions. Both Sarah Haslip and C.A. Magri recruit
16 for ESI Security, and neither of them hold a work card.

17 With these admissions, it is surprising that it
18 required two and a half days of testimony and hundreds
19 of pages for petitioner to defend the integrity of the
20 violation.

21 But despite these two admissions, I also
22 alerted you back in September that respondent would
23 assert a defense based on a legal fiction that hinged on
24 the word "employee" in the statute. And I told you that
25 the evidence Mr. Hendi would present to you, in support

1 of his contention that ESI Security didn't actually
2 employ these two individuals, would rest upon the fact
3 that they received their paychecks from a sister
4 corporation that was wholly-owned by Mr. Hendi.

5 I told you further that Mr. Hendi was playing a
6 shell game and that this sister company, Events
7 Services, Inc., was really just the alter ego of ESI
8 Security and also the alter ego of Mr. Hendi himself.

9 In his opening statement, on behalf of
10 respondent, Mr. Campbell said, and I quote, "This notice
11 of violation should not have been directed to ESI
12 Security."

13 He further stated that if private investigator
14 staff really believed that Sarah Haslip and C.A. Magri
15 are doing work regulated by the Private Investigator's
16 Licensing Board, that staff should have cited Events
17 Services, Inc. for the violation instead.

18 But he then acknowledged that Sarah Haslip and
19 C.A. Magri do administrative work for all three of
20 Mr. Hendi's companies.

21 When Mr. Hendi testified on direct examination,
22 he stated that he had three companies housed at his
23 location on Technology Way: Shred-it, which he has
24 since sold; ESI Security; and Events Services, Inc.

25 Ms. Haslip testified similarly. But on

1 cross-examination Mr. Hendi and Ms. Hegdahl also
2 acknowledged a fourth company, Quick Print, that hadn't
3 been acknowledged in their case in chief.

4 And we learned from Exhibit C that Mr. Hendi
5 actually owned at least three additional companies, one
6 of which, Hope Holding, that Mr. Hendi acknowledged was
7 an umbrella corporation that received rent from each of
8 his companies, and another two companies, Crepes
9 International and ESI Investigations, that we didn't
10 hear any testimony about.

11 So why is it that Mr. Hendi and his counsel
12 avoided discussion about Quick Print until questioned on
13 cross-examination?

14 The answer lies on page 182 of Exhibit 21 and
15 on page 183 of Exhibit 22, coupled with the testimony of
16 Mr. Hendi and Mr. Ingram regarding those exhibits.

17 When asked why Sarah Haslip was performing
18 fingerprinting functions for Quick Print, Mr. Hendi
19 first tried to pass it off as a paperwork function
20 encompassed in her job duties as a recruiter.
21 Eventually, he acknowledged that she was actually
22 conducting the process of fingerprinting and not just
23 submitting paperwork for it.

24 Ms. Hegdahl testified that Quick Print had no
25 employees but that ESI Security IT employee Dustin

1 Altheide performed fingerprinting, and so did Events
2 Services employees Sarah Haslip and Amanda Hegdahl, that
3 she herself is listed on a current roster of ESI
4 Security as an employee. And, of course, Dustin
5 Altheide, admittedly, is an employee. But Ms. Haslip is
6 not. To this day, she is not registered, even though we
7 know, from testimony and from the exhibits, that she
8 performed fingerprinting functions.

9 So why does this matter, and what does this
10 have to do with ESI Security and the violation being
11 appealed here today?

12 Well, Mr. Ingram testified, and Exhibit 22
13 demonstrates, that Mr. Hendi's certification with the
14 Department of Public Safety, which grants Mr. Hendi the
15 privilege to engage in the business of fingerprinting,
16 is issued to ESI Security and was updated to reflect
17 that he was doing business as Quick Prints.

18 So if Ms. Haslip is conducting fingerprinting
19 under Mr. Hendi's account with the Department of Public
20 Safety, then she is doing so on behalf of this Board's
21 licensee, ESI Security, and she must be registered
22 accordingly.

23 So what else might Sarah Haslip and C.A. Magri
24 be doing for ESI Security?

25 Well, we know they're recruiting for ESI

1 Security.

2 In his opening, Mr. Campbell stated that
3 recruiting is not something that is regulated by NRS
4 Chapter 648. And he said that Sarah Haslip and C.A.
5 Magri are not employees of ESI Security until they get
6 their PILB card by walking through the registration
7 process.

8 This is simply backwards thinking. One doesn't
9 become an employee by getting registered. But to comply
10 with PILB licensing statutes, one must be registered
11 before becoming an employee of a licensee.

12 If, on the other hand, a licensee employs an
13 unregistered person, that person is nevertheless still
14 employed, albeit in violation of the statute.

15 Mr. Campbell said that Sarah Haslip and C.A.
16 Magri are employees of Events Services, Inc., which both
17 he and Ms. Hegdahl represented as a third-party vendor
18 and an outside party who does work for a licensee.

19 So how do we know whether Sarah Haslip and C.A.
20 Magri are employees requiring registration?

21 The answer is provided in NAC 648.334, which
22 states that such a person includes temporary employees
23 and those performing clerical or administrative
24 functions. And Chairman Zane asked Mr. Hendi
25 specifically about that.

1 The NAC further states, in subsection 3, that
2 it is unprofessional conduct to evade the requirements
3 of NRS 648.060 by falsely representing that an employee
4 is an independent contractor.

5 Also, although NAC 648.336 does not
6 specifically expand on NRS 648.060, it is instructive as
7 to what a bona fide employee is. It's a person who is
8 subject to the control of a licensee with regard to the
9 performance of services.

10 Moreover, the Nevada Supreme Court issued an
11 opinion -- that opinion is LFC Marketing Group, Inc.
12 vs. Loomis; the citation for that is 116 Nevada 896
13 circa 2000 -- acknowledging that where it appears that a
14 corporation is acting as the alter ego of a controlling
15 individual, Nevada has long recognized the ability to
16 pierce the corporate veil to do justice whenever it
17 appears that the protections afforded by the corporate
18 forum are being abused.

19 The elements established by the Nevada Supreme
20 Court, finding an alter ego require a showing by a
21 preponderance of the evidence of three things: one,
22 that the corporation is influenced and governed by the
23 person asserted to be the alter ago; two, that there is
24 such a unity of interest in ownership that one is
25 inseparable from the other; and, three, that the facts

1 are such that adherence to a corporate fiction of a
2 separate entity would, under the circumstances, sanction
3 a fraud or promote injustice.

4 So what evidence has been adduced that
5 demonstrates that ESI Security is influenced and
6 governed by Mr. Hendi?

7 We have Mr. Hendi's testimony and the Secretary
8 of State printouts at Exhibit 19 showing that he is the
9 CEO and only officer of each of the corporations he
10 owns.

11 We also have his testimony and that of Director
12 Ingram describing that all of the corporate entities are
13 housed under one roof and, in some cases, particularly
14 with Events Services and with ESI Security, that they
15 are indistinguishable. It's hard to determine where one
16 ends and another begins.

17 In addition, Ms. Irizarry testified that
18 another PILB employee, Jason Woodruff, contacted her
19 about C.A. Magri.

20 On Exhibit 8, page 29, C.A. Magri identifies
21 himself as a Recruiting Specialist for ESI Security
22 Services.

23 Ms. Irizarry testified that in the process of
24 research on whether Mr. Magri had a work card, she
25 discovered that Sarah Haslip also recruited on behalf of

1 ESI. And she then emailed their supervisor, Amanda
2 Hegdahl, whose signature block also indicates an
3 affiliation with ESI Security Services. And that's
4 Exhibit 3, page 13.

5 Ms. Hegdahl hadn't been registered, either.
6 But Ms. Irizarry said that when she learned of that, the
7 staff didn't issue a violation to Ms. Hegdahl because
8 Mr. Ingram hadn't gone out and done his presentation to
9 educate them on exactly who needed to be registered.

10 Ms. Irizarry emailed Amanda about Sarah Haslip
11 and C.A. Magri, and Amanda said that they are employed
12 "under" Events Services, which Ms. Irizarry said was a
13 red flag for her, and Ms. Haslip said was just a word
14 choice.

15 Ms. Haslip, in an email to the PILB general
16 email, similarly used suspicious language when she said
17 that Mr. Vasquez and Mr. Castillo-Velarde were employed
18 with their ESI Services division, and that's Exhibit 21,
19 page numbers 171 and 174, rather than a sister
20 corporation or a separate corporation.

21 Then, in Exhibit 13, page 103, Mr. Hendi states
22 in the second paragraph "The other issue that we need to
23 clarify is that while some of our applicants are waiting
24 to get their PILB cards, we may use them as ushers,
25 ticket takers, cashiers, parking attendants and

1 information centers. They have different uniforms and
2 badges. Once they receive provisional status, we move
3 them into the security section. So, yes, they work for
4 us, but not in a security capacity."

5 I asked Mr. Hendi about that statement. I
6 asked him if ESI Security had employees who were ushers,
7 ticket takers, cashiers, parking attendants and
8 informational centers. And he answered no. When I
9 questioned him, utilizing another document, he said, "I
10 should have asked for a specific time frame, because in
11 the past, they did that."

12 If you look specifically at Exhibit 14 and 15,
13 you will see that both C.A. Magri and Sarah Haslip have
14 signature blocks identifying themselves as associated
15 with ESI Security in April and May of 2016.

16 Mr. Campbell has elicited a lot of testimony
17 about Exhibit 3, which is the communication between
18 Ms. Irizarry and Ms. Hegdahl that eventually resulted in
19 the notice of violation at the conclusion of the string
20 which she attached to the document.

21 He emphasized ad nauseam that the six-week
22 delay in responding to Amanda Hegdahl somehow might have
23 prejudiced them. Ms. Irizarry testified that the delay
24 was because she was on medical leave. But the violation
25 was complete before the communication ever got started.

1 So unless there was a similar violation issued in that
2 six-week interim before they received the notice of
3 violation, there could not be any prejudice.

4 Furthermore, Ms. Hegdahl testified that she
5 registered herself as a private investigator licensing
6 employee just in case she were to go out into the field.
7 But when Board Member Flynn asked if they had considered
8 doing something similar for C.A. Magri and Ms. Haslip,
9 she responded, no, they didn't.

10 Now, I lost a ruling when Mr. Campbell said
11 that I was being prematurely argumentative. So now I
12 get a chance to continue my point. Ms. Hegdahl's
13 testimony demonstrates that she is either an employee of
14 ESI Security Services or that the integrity of the
15 employee roster cannot be relied upon.

16 And if you look at Exhibit 18, which is
17 Mr. Ingram's Power Point presentation that he utilized
18 when he went out there, pursuant to the stipulated
19 agreement, to answer any questions that they might have
20 had, on page 133 of that exhibit, it states, NRS
21 648.140, an employee must be added to a roster within
22 three days and removed within three days of termination
23 of their employment or expiration of their work card.

24 So why would she be listed on that roster if
25 she weren't an employee of ESI Security?

1 On June 29th, 2016, staff issued the notice of
2 violation. And that's at Exhibit 1, page two. And what
3 did ESI do in response to that violation?

4 Well, if you look at Exhibit 15, page number
5 115, you'll see that C.A. Magri is now listed as a
6 recruiting specialist for Events Services, Inc., in a
7 July 13th, 2016 email.

8 So although there was a lot of testimony about
9 needing a response from the Private Investigator's
10 Licensing Board, they had the ability at any time to
11 change their logo or to read the statute and make a
12 decision about whether or not these two employees need
13 to be registered.

14 There are a couple other documents in that
15 Power Point exhibit that I would like to point out.

16 Page 130, the center Power Point frame, on the
17 left-hand side, said -- it's titled Who Needs a Work
18 Card? It says all employees of a licensee are required
19 to have a work card, regardless of their title or
20 position. And clerical staff is listed as one of those
21 individuals.

22 In addition, Exhibit 20 of the stipulated
23 agreement -- that's page 166, paragraph 14 -- it says
24 the parties agree that counsel for each will make
25 reasonable efforts to communicate to the extent

1 necessary to obtain clarification or opinion on any
2 matter within the scope of the agreement. It doesn't
3 say that staff needs to communicate that. And there's
4 been absolutely no evidence whatsoever that Mr. Hendi's
5 counsel reached out to anyone, either Private
6 Investigator's counsel or with Board staff, requesting
7 any clarification.

8 Lastly, when Ms. Irizarry was being
9 cross-examined by Mr. Campbell, there was a lot of
10 emphasis placed on the fact that the name was confusing
11 and that the Board may have been confused about the
12 name. And he really took her to task over the fact that
13 she had referred to Events Services as ESI Events
14 Services, when, in fact, there is no ESI in front of
15 their moniker. It's simply Events Services, Inc.

16 That confusion is not something that the
17 Private Investigator's Licensing Board created. That is
18 by design. It is so Mr. Hendi can operate the way that
19 he's operating, in a way that confuses the public.

20 And I asked Miss Hegdahl about that, because
21 her response to Ms. Irizarry's communication in
22 Exhibit 3 was that the reason that C.A. Magri and
23 Ms. Haslip are listed as recruiting specialists for ESI
24 Security is to avoid confusion. When I asked her how
25 that would avoid confusion for an applicant applying to

1 Events Services, she didn't have an answer. And she
2 ultimately acknowledged that it wouldn't, it would
3 create confusion.

4 So I aver to you that that is simply an answer
5 that she tried to utilize to justify why C.A. Magri and
6 Sarah Haslip are listed as ESI Security employees.

7 So back to what the requirement is for finding
8 that a company is simply the alter ego of an individual,
9 the three things that this Board must find are that the
10 corporation is influenced and governed by the person
11 asserted to be the alter ego.

12 We are asserting that Mr. Hendi is that alter
13 ego and that he exercises the influence and the
14 governance to move any of his employees around at any
15 time from any one of his companies. And the best
16 example of that is Quick Print, which we know, from
17 their testimony, has no employees. So we know that he's
18 utilizing different companies and different corporations
19 in a capacity to suit other companies' needs.

20 Number two, that there is such interest and --
21 or I'm sorry, unity of interest and ownership, that one
22 is inseparable from the other. Ms. Hegdahl testified
23 that she doesn't know how much time she spent for any
24 one company, that she doesn't keep track of it, and that
25 all of her payroll comes from Events Services, Inc.,

1 despite the fact that the majority of the employees that
2 they recruit for come from Events Services, Inc.

3 I suggest to you that that is unity of interest
4 and ownership that is indistinguishable.

5 And, finally, number three, that the facts are
6 such that adherence to a corporate fiction of a separate
7 entity would, under the circumstances, sanction a fraud
8 or promote injustice.

9 The whole purpose of the stipulated agreement
10 and not going through with the violations back in March
11 of 2016 was to give them a fresh start.

12 There was a lot of communication about the
13 concerns with the commingling of the corporate entity.
14 And, apparently, this stipulated agreement did nothing
15 to change the way they do business. And it makes it
16 very, very hard for this Board and the staff of this
17 Board to do their job to ensure that the public is
18 protected accordingly.

19 Thank you.

20 BOARD CHAIRMAN ZANE: Mr. Campbell.

21 MR. CAMPBELL: C.A. Magri and Ms. Haslip are
22 not employees of the registered company ESI Security.
23 The statute clearly says all employees of the
24 registered -- of a licensed company have to be
25 registered. It doesn't say people that provide services

1 to a particular company.

2 So the staff issued this notice of violation.
3 And now they come up with this reason that they are,
4 they can do this, because even though they're not
5 employees, they're -- if you apply the alter ego theory,
6 they are employees.

7 You have to ask yourself, why was this NOV ever
8 issued in the first place?

9 Mr. Hendi entered into a stipulation with
10 staff, and the Board approved it. And Ms. Palmer
11 herself characterized that, that stipulation, as, quote,
12 giving ESI Security and Mr. Hendi a fresh start from the
13 time that the order is filed to comply with all the
14 rules and regulations of the Board.

15 To further that objective, Mr. Ingram was to
16 visit the ESI facility, and, again, Ms. Palmer's words,
17 to try and ensure that everybody is on the same page as
18 to what was expected.

19 So for over two and a half years, ESI security
20 moniker is used in the emails from Sarah Haslip and her
21 predecessor and her predecessor. And all of those
22 emails have that ESI moniker on them. And the PILB
23 staff knew that Ms. Hegdahl was not registered with the
24 PILB, was not on the roster. Now, they can disavow any
25 knowledge of that, but it is knowledge within their

1 purview, and it was -- clearly could have been checked
2 at any time, if, in fact, they're telling the truth and
3 they didn't know at the time.

4 So what happens next? Mr. Ingram does, in
5 fact, go to this, after making these promises, and after
6 making these representations on the record by Ms. Palmer
7 as to we're going to try to get this thing all
8 straightened out, the meeting at the ESI takes place.
9 And does Mr. Ingram say anything about Events Services
10 employees or about Mr. Magri or Ms. Haslip? Doesn't say
11 a word.

12 He then meets with Ms. Hegdahl and Mr. Hendi.
13 And accordingly to both of their testimonies, they all
14 agree to work together in the future to accomplish these
15 stated goals of the stipulation and to try to resolve
16 any issues that are outstanding.

17 So what happens next? Two, less than two weeks
18 later, an issue comes up. A question arises about
19 Ms. Magri and Ms. Haslip's status. And Ms. Hegdahl,
20 following up on her understanding of what Mr. Ingram
21 told her how it was going to work, says, "Well, what
22 should I do? Should I registered? Should I -- I don't
23 know. Tell me. I want to be compliant. I want to
24 comply with what we've agreed to."

25 What response do we get to that? We get some

1 lame testimony that, "Oh, well, she was out of the
2 office, and that's why I don't know if I got the email.
3 I don't know when she talked to me."

4 The request was made. There was no
5 communication whatsoever in over six weeks to respond to
6 that request. Instead, there was a triumvirate of
7 Ms. Palmer, Ms. Irizarry and the Executive Director,
8 Mr. Ingram, getting together and saying let's go issue
9 this notice of violation.

10 It's really surprising that Mr. Ingram says
11 this is the straw that broke the camel's back. But on
12 the other hand, he testifies "I was doing everything in
13 my power to help this company be on the same page."

14 I don't buy that. That didn't happen. This
15 three, triumvirate sat back in this room and said, "How
16 do we get Mr. Hendi on this one?" So what they did is
17 they said, "Okay. Well, these are employees through the
18 alter ego theory of the law. And, therefore, we can get
19 them that way."

20 Mr. Ingram says that this is the straw that
21 broke the camel's back and the PILB was doing everything
22 in their power to help ESI Security. Really? If I was
23 Ms. Irizarry, and I put this in writing, I'd capitalize
24 "really" and put 15 explanation points beyond it.

25 Staff's position is that you have to ignore the

1 legal difference between ESI Security and Events
2 Services. And what's the evidence that they did that?
3 They said that comports with the standard on alter ego,
4 the alter ego case that is really decided regarding
5 piercing the corporate veil so that you could get to the
6 assets of a company who's trying to hide their assets by
7 doing business speciously under a corporation name
8 individually.

9 So what do they have, what evidence do they
10 have? They got an email signature which Mr. Ingram
11 said, "Well, the email had the email moniker, the email
12 signature really doesn't matter to me."

13 They've got Ms. Hegdahl using the word "under"
14 instead of "for."

15 They've got Ms. Haslip saying it's an Events
16 Services division.

17 They've got a corporation that Mr. Hendi uses,
18 for whatever purposes, that has no employees but does
19 the fingerprinting and has maybe one or two employees
20 that do the fingerprinting as part of their recruiting
21 function. Standard operating procedure, why wouldn't
22 you have, when you're recruiting for potential employees
23 that need security clearance, to have somebody to do
24 fingerprinting.

25 Ms. Irizarry then just says, "Oh, I use the IRS

1 standard of how you determine an employee"; from someone
2 that's been a contractor, I guess, is what she meant.
3 She didn't elaborate on what standard she used or how
4 she reached that conclusion. And then she begged off on
5 answering the questions as to why she brought the NOV
6 under counsel objections that that was an
7 attorney-client privilege decision.

8 If you remember yesterday, Mr. Ingram says he
9 told Mr. Hendi and Ms. Hegdahl in that meeting -- let me
10 get my notes, so I have -- I think, I have it just right
11 here. He told them in that meeting, "As long as the
12 Events Services employees are not doing business as is
13 regulated, we don't have a problem. We need to -- we
14 can clarify that issue if we need to."

15 So what are they to think, when they go forward
16 from that meeting?

17 They're told that as long as their Events
18 Services employees are not doing registered business,
19 they're okay. They're not told otherwise. When they
20 find out about a potential issue, they offer to resolve
21 the issue. They're not told, they're not told anything
22 on that. But then they're -- both of them have
23 testified that they believe that the standard was, under
24 the statutes, that if you're an employee, then you have
25 to register.

1 The law, again, is pretty clear in the state
2 that only employees of a registered company have to
3 be -- only employees of a licensed company have to be
4 registered.

5 These, Ms. Magri and Ms. Haslip, are not
6 employees. But there's a paucity of evidence in here
7 that suggests that they are -- that there's some kind of
8 alter ego theory that's at work, or that should be
9 ignored.

10 Mr. Hendi testified that he has these companies
11 structured in a very legal manner. He has separate
12 books and records. He has separate payroll. He crosses
13 his I's and dots his T's to make sure that there is no
14 alter ego argument. He's not trying to work any fraud
15 on anybody. If he was working any fraud on anybody, why
16 would he volunteer to work with the staff, and why would
17 Ms. Hegdahl volunteer to do whatever is necessary to
18 comply with the requirements and agreements they made in
19 the stipulation?

20 So why did they file it? And, Mr. Chairman,
21 you earlier said this case is not connected to the next
22 case. It is. This case, this notice of violation is
23 going to be used in the second hearing as a ground to
24 take Mr. Hendi's license away under the complaint. And
25 so that's why, I think, they filed this thing. Not

1 because they were trying to work together. Not because
2 they were bending over backwards. Not because they were
3 doing everything in their power. They wanted a notice
4 of violation on record here. And that's why they filed
5 this notice. Not because Mr. Hendi's companies are all
6 alter ego and intertwined such that you should ignore
7 his carefully structured and legally structured
8 companies that do different services for different
9 people, just as if he were -- as if a third-party vendor
10 was doing these same services, which I'm understanding
11 the Board has no problem with.

12 That's all I have.

13 BOARD CHAIRMAN ZANE: Thank you.

14 MS. BRADLEY: Is there --

15 MS. PALMER: Yes.

16 MS. BRADLEY: Yeah, there's a rebuttal. Okay.

17 MS. PALMER: So Mr. Campbell's closing argument
18 seems to suggest that we are conceding the employee
19 client -- excuse me, the employee relationship between
20 ESI Security and the two individuals, Haslip and Magri.
21 And we're not. We're simply saying that even if you
22 were to conclude that they're not employees, that you
23 have an alternate means for ascertaining that they are,
24 that being the alter ego doctrine.

25 We do not concede that they're not employees.

1 That's the problem with the alter ego doctrine and the
2 fact that he has so much control. He has the ability to
3 pay them out of any company that he wants. And that
4 seems to be the only differentiating factor for what
5 constitutes an employee of one company versus the other
6 company, where they're being paid.

7 They also testified that there's no clerical
8 employees under ESI Security and that all of the
9 clerical employees are under Events Services, Inc.
10 That's by design. And that doesn't make them
11 independent contractors of ESI Security.

12 He mentioned that Ms. Irizarry said they
13 utilize the IRS 20-factor test. That is something that
14 is available on the Internet. And I will represent to
15 you that these, this is the 20-factor test. The level
16 of instruction --

17 MR. CAMPBELL: I have an objection. There was
18 no testimony at all in this hearing regarding the
19 20-factor test. I think, it's --

20 MS. PALMER: You brought it up.

21 MR. CAMPBELL: No.

22 MS. PALMER: You said that Ms. Irizarry said
23 she utilized it.

24 MR. CAMPBELL: And she -- and the argument was
25 that she --

1 MS. PALMER: And --

2 MR. CAMPBELL: She did not give any testimony
3 as to how she utilized that test and what it was about.
4 And then, when I pressed her further on it, you said
5 that was all attorney-client privileged communications.
6 So there's no testimony whatsoever --

7 MS. PALMER: That those two comments are not
8 intertwined.

9 MR. CAMPBELL: There's no testimony in this
10 case that you could cite to related to the IRS test.
11 And you're just trying to bring in new testimony now,
12 because I brought it up in my closing argument that she
13 failed to utilize that test.

14 If she had --

15 MS. PALMER: And I had --

16 MR. CAMPBELL: If she wanted to testify to it,
17 she could, and put it into evidence in this case.

18 MS. PALMER: She did. She said, "We utilize
19 the IRS independent contractor test." You even went to
20 the extent of bringing it up in your closing. And I
21 will aver to you that it is intertwined with the alter
22 ego doctrine.

23 You said in your closing that --

24 MS. BRADLEY: Okay.

25 MS. PALMER: -- we, apparently, conceded the

1 employee relationship. And we did not do that.

2 I am telling you that the two are so
3 intertwined that there's no way to distinguish between
4 the alter ego doctrine and whether or not these
5 individuals are actually employees.

6 MS. BRADLEY: Okay. So the objection's been
7 made. There's been a response.

8 My recollection of the testimony -- I don't
9 know if you have a different one, Mr. Chair. I remember
10 Ms. Irizarry saying that she used that test. I don't
11 remember her describing the test in any way.
12 Mr. Campbell didn't describe it. He said that she
13 mentioned it, and didn't give specifics.

14 And then Ms. Palmer wants to talk about what
15 that test is. So, I think, it's up to you to decide
16 whether that's something that's allowed.

17 MS. PALMER: And may I add one other thing?
18 There was also no testimony about the Supreme Court case
19 that I cited, and yet I was allowed to bring in what the
20 controlling law was. This is the IRS 20-factor test.
21 So I am bringing in the controlling law. I am not
22 trying to bring in new facts.

23 MS. BRADLEY: Which case? I don't recall a
24 case being mentioned until just now.

25 MS. PALMER: In my opening argument, I cited to

1 LFC Marketing Group, Inc. vs. Loomis, 116 Nevada 896,
2 circa 2000, where it talks about the alter ego doctrine.

3 MS. BRADLEY: Okay.

4 MR. CAMPBELL: Well, that's one thing to cite a
5 case in argument, counsel. It's another thing to say
6 "Now I'm going to go through the 20-factor test that
7 Ms. Irizarry says she used, to show you how she used it
8 to reach this conclusion." That's testimony that should
9 have been in the case. If she used that, you could have
10 had her, on cross and direct examination, go through how
11 she used that test, and put it on the record as to how
12 that test influenced her decision or your decision. We
13 haven't made the decision in the last instance.

14 So, I think, it's very prejudicial now to try
15 to come in here and use this evidence that wasn't
16 admitted in the hearing. It's way different than using
17 a citation to a case.

18 MS. PALMER: You opened it.

19 MR. CAMPBELL: I didn't open any door. I said
20 she used the test but didn't elaborate on it.

21 MS. BRADLEY: Yeah. Mr. Chair, I mean, my
22 recommendation would be to sustain the objection. I
23 recall it the same way Mr. Campbell did. There was no
24 detail as to what that test was. She just said she used
25 it.

1 BOARD CHAIRMAN ZANE: Objection sustained.

2 MS. PALMER: Okay. I'll move on.

3 I would ask the Board to look up that test.
4 You have the ability to look up the law and what the
5 test is. I'm not allowed to tell you, apparently, what
6 the law says, but you have the ability to do that
7 yourself.

8 He did acknowledge that Ms. Irizarry testified
9 that they utilized that in determining what an employee
10 is. And I represent to you that you will find they're
11 very similar elements as to the alter ego doctrine. And
12 that's the reason that we focused on the alter ego
13 doctrine.

14 And that's all I have.

15 BOARD CHAIRMAN ZANE: Thank you.

16 Nothing further?

17 MS. BRADLEY: I don't think so. Before the
18 Board deliberates, if I might, I just kind of want to
19 remind you what we're here to do and kind of frame the
20 issue a little bit.

21 So we've got the notice of violation. It's
22 your first exhibit. It's dated June 29, 2016. The
23 Board has put forth this, this notice and is asking you,
24 essentially, to find that it was issued because it
25 should have been and that there was a violation. The

1 respondent is saying there was not a violation, and
2 they're asking you to find that the notice of violation
3 was not appropriate.

4 There was some reference to a couple NAC
5 provisions regarding employment. I didn't hear a lot on
6 it, but I wanted to read them for the Board because I
7 thought it might be helpful.

8 So if we look at NAC 648.336, and it talks
9 about -- and I'm looking at, according to my phone here,
10 NAC that's been updated as of June 2016. And it talks
11 about determination of who is a bona fide employee for
12 purposes of NRS 648.140, which, I think, is relevant to
13 060. They're both listed in the notice of violation,
14 but I would note that the version of NRS 648.140 on page
15 0003 is actually an old version. It's been updated
16 since then. But the portion that's cited is incorrect.

17 So it says: For the purposes of NRS 648.140,
18 an employee of a licensee shall be deemed to be a
19 bona fide employee if the Board makes a determination
20 that the employee is subject to the control of the
21 licensee with regard to the performance of services; the
22 wages paid to the employee by the licensee are subject
23 to the Federal Insurance Contributions Act and the
24 Federal Unemployment Tax Act; and the licensee is
25 required to file reports with the Employment Security

1 Division of the Department of Employment, Training and
2 Rehabilitation and its insurer concerning payment of
3 compensation to the employee.

4 So that's a test that you have put into your
5 regs regarding employment.

6 There's also a reference to employment in 3385.
7 And that talks about as licensee shall not employ a
8 person unless they're provisionally registered.

9 So, again, it talks about that.

10 And then here, I believe -- and then on the
11 bottom, number 8 says the Board will interpret "employed
12 by" as used in this section and NRS 648.060 to include a
13 person who performs the same duties as an employee.

14 And that's subsection 8 there of that.

15 And then NAC 648.334, sub 3, talks about
16 falsely representing a contractual relationship with --
17 but I don't think that one is really relevant.

18 But I was just trying to find provisions that
19 talk about employment. Because, I think, some of the
20 issue might be how do you define an employee.

21 So I don't know if that's helpful or not. I
22 know some of those are listed here, but I don't see any
23 NAC provisions on the citation.

24 So the question before the Board would be,
25 essentially, whether or not there is enough to support

1 the notice of violation. If there is, the Board would
2 vote to uphold the notice of violation, and it would
3 stand. If the Board finds there's not enough evidence,
4 then the Board would vote to not uphold the notice of
5 violation.

6 And I would remind you that your burden of
7 proof is a preponderance of the evidence. So you're
8 looking at evidence that more likely than not, that
9 there's enough to support the violation. Or if there's
10 not enough evidence, then you're going to say it's not
11 more likely than not, so we're going to vote to overturn
12 the violation.

13 BOARD CHAIRMAN ZANE: Thank you.

14 Any Board comments?

15 BOARD MEMBER COLLINS: No.

16 BOARD MEMBER FLYNN: No.

17 BOARD CHAIRMAN ZANE: Mr. Colbert?

18 BOARD MEMBER COLBERT: No, sir.

19 BOARD CHAIRMAN ZANE: Is there a motion?

20 BOARD MEMBER FLYNN: Do we -- you know, I'm new
21 to this. So do we deliberate, or --

22 MS. BRADLEY: Yes.

23 BOARD MEMBER FLYNN: -- do we do it in private,
24 or?

25 MS. BRADLEY: No.

1 MS. PALMER: You should deliberate on the
2 record.

3 BOARD MEMBER FLYNN: It has to be on the
4 record?

5 MS. BRADLEY: Yes, you discuss it now.

6 MS. PALMER: Discussion, to support your
7 decision.

8 MS. BRADLEY: Yes, it's fine for you to say
9 whatever you'd like. You can either start with a motion
10 or you can just talk about it. And each of you could
11 take turns saying this is what I think about this. It's
12 really however you'd like to.

13 But the recommendation is going to be that you
14 put some discussion on the record and reasons for why
15 you might make a decision, or not. Because that's going
16 to be really important.

17 BOARD CHAIRMAN ZANE: I think, it's clearer if
18 we can entertain a motion, to get the discussion. Is
19 that okay?

20 MS. BRADLEY: Okay. That only works if people
21 have an idea. Sometimes they don't have an idea of
22 which way they want to go until they hear the
23 discussion. So it's up to you.

24 You can make the motion, Mr. Chair, if you have
25 one.

1 BOARD CHAIRMAN ZANE: Well, yeah, I just prefer
2 sometimes moving to the Board members first.

3 MS. BRADLEY: Okay.

4 MS. PALMER: Yeah, if the Board members should
5 make the motion.

6 MS. BRADLEY: No, there's no requirement that
7 the Board Chair does not make a motion.

8 BOARD CHAIRMAN ZANE: That's just a preference.

9 MS. BRADLEY: Yeah.

10 BOARD CHAIRMAN ZANE: That I give them the
11 first opportunity. And then, if nobody speaks up, then
12 I make one.

13 MS. BRADLEY: Okay. No, that's fine. I just
14 was hearing something else being discussed, so.

15 BOARD CHAIRMAN ZANE: No motion. Do we have
16 discussion?

17 BOARD MEMBER COLLINS: I guess, it's my
18 opinion, Mr. Chair and the rest of the Board members,
19 that this is so crumbled with the whole situation, the
20 whole numerous amounts of opportunities and entities of
21 different businesses, that there was a lot of
22 opportunity to clear the waters, if needed to be. And,
23 I think, the Board and the stipulations and standards
24 govern that. It's an opportunity that wasn't received,
25 nor was it exercised. And I think that there was lots

1 of opportunities to do the right thing. But there was a
2 lot of openings that just weren't sealed up.

3 I mean we all can make decisions based on how
4 we want to run our businesses. But if we're governed by
5 the state to do it in a certain manner, then just out of
6 due diligence, we should take that opportunity and
7 not -- how to do things, I guess, in my opinion.

8 BOARD CHAIRMAN ZANE: Thank you.

9 My impression regarding the matter is, I think,
10 multilayered. I don't hold with the position that the
11 literal meaning of the statute is as clear as it
12 purports to be.

13 I don't believe that this Board, regardless of
14 the statutory language, has the ability to enforce
15 itself upon any employee of a licensee, because I don't
16 think that that was the legislative intent.

17 I believe that the legislative intent is that
18 any employee of a licensee conduct themselves in the
19 primary things that this Board is instructed to
20 regulate, and that being repossessors, private
21 investigators, security patrol people.

22 I don't believe that it lends itself to, as
23 used in the testimony early in the matter, to a janitor
24 employed by a licensee to clean the property. I don't
25 believe that it's to a person that has no fundamental

1 duty associated, even remotely, with the forms of work
2 that we regulate.

3 So I have a difference there.

4 The problem in this case, though, is that we
5 deal specifically with the fact that these employees,
6 although I might have a determination that maybe they
7 could have been third-party participants doing job
8 functions that some other third party might not have to
9 be licensed for, the Board, as far as back as 1997, took
10 a position that clerical and administrative people have
11 to be registered employees in order to conduct those
12 particular ideas.

13 So the fact that you might have a mechanic that
14 works on your car, you've got a sympathetic voice here
15 that would listen to the fact that that person may not
16 need to be a registered employee in order to conduct
17 that job on behalf of that company. But it falls flat
18 when you determine that the Board, in 1997, took a
19 specific position that administrative and clerical
20 people must be regulated, or must be registered.

21 So, you know, I mean it's clear by the statute
22 that what the words say, but I don't think it's clear in
23 the legislative intent, if you go back and look at it,
24 that it means every single person employed by that
25 licensee. But like I say, in 1997, through regulatory

1 action, this Board -- and I was no where on it, and none
2 of us were -- took action to say clerical employees and
3 administrative people performing those duties are
4 required to be registered.

5 So that makes me lean to the position that if
6 you are an employee -- I don't know that ADP Payroll
7 Services interacts with the Private Investigator's
8 Licensing Board staff on a daily basis in order to
9 inquire about or clarify issues on behalf of a licensee.
10 I don't know of some third-party entity that interacts
11 with Board staff in an administrative capacity, or would
12 have standing to do so, to legitimize the fact that they
13 were not necessarily some independent third-party
14 source.

15 So with the record and the amount of activity
16 that's associated with the what's going on here, it
17 would seem to me that the -- the notice of violation
18 indicates that a couple of employees were not registered
19 by virtue of what they did on behalf of a licensee. And
20 so, therefore, they should be -- the licensee should be
21 disciplined for not registering them.

22 The fact that their -- particularly their --
23 the biggest duties that they had were associated with
24 licensee activity, and the fact that it was either
25 clerical or administrative in nature, falls squarely, I

1 think, with NAC 648.334, which, I think, is on point,
2 although maybe not listed in the violation itself. It's
3 referred to, I believe, NRS 648.060.

4 So that, that's where my thinking was with
5 regard to the matter.

6 BOARD MEMBER FLYNN: Mr. Chairman.

7 BOARD CHAIRMAN ZANE: Could the record reflect
8 that Member Nadeau has arrived.

9 BOARD MEMBER NADEAU: Thank you.

10 BOARD CHAIRMAN ZANE: Mr. Flynn, please, sir.

11 BOARD MEMBER FLYNN: I concur with both
12 commissioners' comments thus far.

13 And I just want to add that, as Commissioner
14 Collins made mention, there was ample opportunity, maybe
15 not to resolve but to do the right thing.

16 And I couldn't even get a straight answer. I'm
17 here as a citizen at large. I'm not some fancy
18 attorney. I don't own a big corporation. I ask
19 straight questions and expect straight answers. And two
20 of the witnesses I couldn't even get straight answers
21 out of.

22 It's overwhelming that the majority of
23 employees work for ESI. But I was told that the person
24 in charge doesn't know where she spends her time. And I
25 said an average over a year.

1 It is my opinion that they were doing the work
2 of clerical employees, by not only broad definition, but
3 a more specific definition, and they were doing that for
4 a licensee as an employee.

5 I would hope, if I was sitting in their shoes,
6 that I would have just went ahead and registered the
7 employees, and it would have been a mitigating factor
8 that I would weigh heavily. But it is their right, and
9 they those not to.

10 That's all I need to say at this point.

11 BOARD CHAIRMAN ZANE: Okay. Anything further,
12 discussion on?

13 Is there a --

14 BOARD MEMBER NADEAU: Mr. Chair?

15 BOARD CHAIRMAN ZANE: Yes, sir.

16 BOARD MEMBER NADEAU: May I ask Board counsel,
17 that's representing us for this meeting, a question?

18 BOARD CHAIRMAN ZANE: Absolutely.

19 BOARD MEMBER NADEAU: Is it Sarah, or not?
20 Who's representing us today?

21 MS. BRADLEY: Yes, it's me.

22 BOARD CHAIRMAN ZANE: Ms. Bradley.

23 BOARD MEMBER NADEAU: Which TV? Oh.

24 Sarah, I was not here for the testimony of two
25 of the witnesses today, I'm assuming two of the

1 witnesses. I've sat through most, nearly all the rest
2 of this hearing. My question is should I just exclude
3 myself because I wasn't here for the two witnesses?

4 MS. BRADLEY: Yes. I think, that's the best
5 approach under NRS 233B.

6 There's a provision that's outlined that allows
7 for briefs if people haven't read the record, and it
8 kind of implies that you either have to read the record
9 or allow kind of a briefing procedure.

10 So, I think, the recommendation I would make is
11 that you recuse from deciding the citation appeal.

12 BOARD MEMBER NADEAU: Got you.

13 MS. RASUL: Sarah?

14 MS. BRADLEY: Yeah.

15 MS. RASUL: Can he at least discuss the
16 portions, participate in the discussions about the
17 portions of the hearing that he heard?

18 MS. BRADLEY: I mean I'd rather he doesn't. I
19 think, it makes a clean record. There's actually no --
20 a cleaner record if he doesn't. There's no technical
21 prohibition.

22 MS. RASUL: Okay.

23 MS. BRADLEY: But, I think, it's cleaner if he
24 doesn't participate.

25 And then he can participate in the next matter,

1 as long as he's here for the full matter.

2 BOARD MEMBER NADEAU: That said, then I will
3 recuse myself from participating in either the
4 discussion or the vote.

5 But, Sarah?

6 MS. BRADLEY: Yes.

7 BOARD MEMBER NADEAU: I believe, I can go ahead
8 and remain for the -- for any additional discussion and
9 the vote inasmuch as I won't be deliberating in any
10 portion.

11 MS. BRADLEY: Oh, sure. Yeah, it's a public
12 meeting. I mean you're welcome to stay. You know,
13 we're not saying -- but I just think it's cleaner for
14 the record, if you're going to abstain, that you also
15 don't participate in the discussion.

16 BOARD MEMBER NADEAU: Got it. Understood.

17 BOARD CHAIRMAN ZANE: As the Board's pleasure,
18 I'd make a motion. I'd move, given the elements and the
19 testimony received, that a preponderance of evidence has
20 been established, that the violation, as listed in the
21 notice of violation of 06-29-2016 under incident number
22 I-071-16, be upheld.

23 BOARD MEMBER COLLINS: Second.

24 BOARD CHAIRMAN ZANE: We have a motion and a
25 second. Any Board discussion?

1 Do we have to put that in the form of findings
2 of fact and conclusions of law?

3 MS. BRADLEY: Well, I mean you want -- this
4 one, we don't have a complaint where we would do that.
5 So, normally, it's just whether or not -- I think, what
6 you've done is sufficient. And, I think, after the
7 motion's made -- I think, I just heard a second.

8 BOARD CHAIRMAN ZANE: Yes.

9 MS. BRADLEY: You might each want to, just for
10 the record, put on your thoughts and how you intend to
11 vote. That way, the record is clear as to what each
12 Board member is thinking. Because that's helpful. But,
13 normally, an order on this one would just be regarding,
14 you know, the violation was upheld or it wasn't.

15 BOARD CHAIRMAN ZANE: Okay. We have a motion
16 and a second. Any Board comments regarding the motion?

17 MS. BRADLEY: Did each Board member want to say
18 their thoughts for the record?

19 BOARD CHAIRMAN ZANE: My comment would be
20 reflected on what I've already indicated before about my
21 reasoning in order -- in support of the motion, and the
22 evidence and the findings, and my interpretation
23 regarding the administrative code and the statutes.

24 BOARD MEMBER FLYNN: Sarah, it's Ray. I spoke
25 before. The only thing that I would add to my prior

1 comments is that I feel that there is a preponderance of
2 evidence to uphold the violation.

3 BOARD MEMBER COLLINS: I would go on record as
4 saying the same, I spoke before, and based on the
5 preponderance of evidence to uphold the motion.

6 BOARD MEMBER COLBERT: Jim Colbert in Reno. I
7 believe that they were also concerned, management, staff
8 of either ESI or employment services there, by their
9 questions to the Board, that they were concerned that
10 they were not following the guidelines, as is required,
11 and yet they chose not to, to fulfill that.

12 BOARD CHAIRMAN ZANE: Any further comment by
13 the Board?

14 BOARD MEMBER COLLINS: No.

15 BOARD CHAIRMAN ZANE: Okay. All in favor of
16 the motion, say "aye."

17 (Board members said "aye.")

18 BOARD CHAIRMAN ZANE: Any opposed, say "no."

19 Jim, you voted "aye" or "no"?

20 BOARD MEMBER COLBERT: I voted "aye."

21 BOARD CHAIRMAN ZANE: Okay. And one abstention
22 from Member Nadeau.

23 So the motion carries. The notice of violation
24 is upheld.

25 Now we move on to the disciplinary hearing,

1 number four, PILB vs. ESI Security Services.

2 MS. PALMER: Are we taking a break at all?

3 BOARD CHAIRMAN ZANE: If we need one.

4 MS. PALMER: I didn't get one. Mr. Campbell
5 didn't get one.

6 BOARD CHAIRMAN ZANE: Oh, okay. Well, you're
7 just the lawyers.

8 Would you like a break?

9 MS. BRADLEY: I think, that would be
10 appropriate, to have a lunch break. It also allows
11 counsel to get their papers ready for the next matter.

12 BOARD CHAIRMAN ZANE: Okay. How long would you
13 like?

14 MR. CAMPBELL: 45 minutes to get the citation
15 is plenty of time.

16 MS. BRADLEY: 45 minutes is the request I'm
17 hearing.

18 MS. PALMER: That's what I would ask for, too.
19 The timing is perfect.

20 BOARD CHAIRMAN ZANE: So that brings us back
21 to -- how about 12:30 or 12:20?

22 MR. CAMPBELL: I think, one.

23 MS. BRADLEY: 1:20, I think you mean, because
24 it's 12:36 right now.

25 BOARD CHAIRMAN ZANE: I'm sorry. Okay. 1:20.

1 MS. BRADLEY: All right.

2 BOARD CHAIRMAN ZANE: Thank you.

3 * * * * *

4 (A lunch break was taken, 12:36 to 1:28 p.m.)

5 * * * * *

6 BOARD CHAIRMAN ZANE: Are we ready in the

7 north?

8 MS. BRADLEY: Yes.

9 BOARD MEMBER COLBERT: Yes.

10 BOARD CHAIRMAN ZANE: All right. We'll go back
11 on the record with agenda item number four, PILB vs. ESI
12 Security Services.

13 Ms. Palmer.

14 MS. PALMER: Mr. Chairman, if I may have the
15 Board inquire of Ms. Bradley, if we had to provide
16 notice of the continued hearing on the previous matter
17 in the record, and whether or not we need to do so
18 for -- I imagine we do for the complaint, because it was
19 never heard as it was originally agendized in September.

20 MS. BRADLEY: I'm not sure what you mean. I
21 apologize.

22 MS. PALMER: The notice, the renewed notice,
23 bringing everybody before the hearing, both for the
24 matter that was just heard and for the complaint now, if
25 that needs to be made a part of the record.

1 MS. BRADLEY: The notice changing the date?

2 MS. PALMER: Yes. So we continued the hearing.

3 MS. BRADLEY: Uh-huh (affirmative).

4 MS. PALMER: In September.

5 MS. BRADLEY: Uh-huh (affirmative).

6 MS. PALMER: But we didn't actually establish a
7 date at that time. That was done at a later point in
8 time. So do we need to have the notices that brought
9 the hearing to today's date submitted as part of that
10 record?

11 MS. BRADLEY: You can. I mean I don't know, I
12 don't know if it's required. I guess, it's up to you,
13 if you'd like to include those with the previous record.
14 I don't recall doing that before, because usually the
15 transcript has all the days in it. So it's not really a
16 question when it's before the court, when I've seen it
17 before, but.

18 MS. PALMER: It was just if there were any
19 procedural concerns about not remitting timely notice or
20 anything like that, so we can show when it was sent,
21 when it was --

22 MS. BRADLEY: Yeah. I don't think so. I mean
23 I haven't heard any concerns like that raised so that
24 the record would need that. But if you'd like to
25 include that, you know, you might ask and see if

1 Mr. Campbell has any objections or concerns about
2 including it.

3 MR. CAMPBELL: I --

4 MS. PALMER: Well, and my other concern would
5 be if there's any confusion, because we did put the
6 original notice of the hearing in the record. So.

7 MS. BRADLEY: Yeah, the original notice said
8 September.

9 MS. PALMER: Yes.

10 MS. BRADLEY: Yeah.

11 MR. CAMPBELL: I don't have any -- I don't have
12 care either way. I think that this hearing, the
13 continuation of this hearing's been properly noticed
14 under the open meetings law. So if you want to put it
15 in the record, that's fine. I'm not going to -- I don't
16 have any problem with it being properly noticed or an
17 open meeting law violation, so.

18 MS. PALMER: Okay. As long as you don't have a
19 concern, Mr. Campbell, that's fine. Then, we won't
20 bother with trying to affix the other one.

21 BOARD CHAIRMAN ZANE: Okay. We're going to
22 proceed to the disciplinary hearing.

23 MS. PALMER: Yes.

24 Do we need to discuss any of the -- I don't
25 know if you have a concern with any of our proposed

1 exhibits?

2 MR. CAMPBELL: No, I would stipulate. You have
3 Exhibit Numbers 1 through 12, correct?

4 MS. PALMER: That's correct.

5 MR. CAMPBELL: And I'll stipulate --

6 MS. PALMER: And we were adding -- I'm sorry.
7 We were adding one additional exhibit, which, I believe,
8 you have. That was to Exhibit Number 8. Rather than
9 having that end at 160, it would end at 160.1. We
10 supplied that, I believe it was Tuesday, to you.

11 MR. CAMPBELL: Those were the additional
12 emails?

13 MS. PALMER: Yeah, but we only need one, and
14 that's 160.1. The others are actually a duplicate of
15 your Exhibit M.

16 MR. CAMPBELL: Okay. I don't have any
17 objection to that.

18 MS. PALMER: Okay. And I have no objection to
19 your exhibits A through G. Exhibit H is our Exhibit 6,
20 at 152. And then it's -- Exhibit I is our Exhibit 6, at
21 153 through 55. And the same with Exhibit J, 153
22 through 155.

23 And so the only objection that I have of any
24 meaning would be Exhibit P. And, otherwise, I'm fine
25 with admitting all of your exhibits as well.

1 MS. BRADLEY: Okay. I heard you say H, I, J.
2 And so then that means K through O are fine?

3 MS. PALMER: Correct.

4 MS. BRADLEY: Okay.

5 MS. PALMER: And so is Q.

6 MS. BRADLEY: Okay.

7 MR. CAMPBELL: And while we're talking about
8 exhibits, I'd like to put a similar stipulation on the
9 record as to the email correspondence from Haslip that
10 we put on the last hearing, just so we have it on the
11 record, also, instead of having to introduce those into
12 this hearing.

13 MS. BRADLEY: Okay. So that's that statement.
14 I still have it. I can read it if you'd like: That
15 Sarah Haslip sent over a hundred emails to the PILB from
16 April 18, 2015 to July 2016, and that correspondence --
17 oh, those are approximate dates. And that
18 correspondence primarily concerned providing information
19 regarding applicants, such as driver's license number
20 and other items that are needed for registration.

21 MS. PALMER: I don't have a problem with the
22 stipulation, but I was anticipating that the entire
23 previous record and all of its exhibits would be made a
24 part of this hearing.

25 MR. CAMPBELL: I'll stipulate to that.

1 MS. BRADLEY: Okay.

2 MR. CAMPBELL: That would make it a lot easier
3 for this hearing, I think.

4 MS. PALMER: Shall we distribute the exhibits
5 at this time? Or Mr. Chairman has to rule on them.

6 MS. BRADLEY: Yeah.

7 BOARD CHAIRMAN ZANE: Everything that was
8 stipulated to is admitted.

9 MS. BRADLEY: The only possible concern I'm
10 thinking of, just wondering about the exhibits, the
11 numbers are going to be duplicative, if we're saying all
12 the previous exhibits are admitted.

13 MR. CAMPBELL: That's true.

14 MS. BRADLEY: Do we want to just --

15 MS. PALMER: We can give the record a new
16 exhibit number.

17 MR. CAMPBELL: How about C-1 for Complaint 1,
18 or?

19 MS. BRADLEY: Yeah, that's what I was sort of
20 thinking, somehow we add a designation to it.

21 MS. PALMER: What about the letters; C-A, C-B?

22 MR. CAMPBELL: C-C. Yeah, I think that would
23 work.

24 MS. BRADLEY: Yeah.

25 Okay. That's all. So, Mr. Chair, if those are

1 admitted, then, I think, we can pass them out up here
2 and down there. So it's 1 through 12, adding pages to
3 number 8.

4 Do you have those new pages?

5 MS. KLEMME: There's one page, yes.

6 MS. BRADLEY: Okay. And then A through O and
7 then Q of Mr. Campbell's. Maybe he has those.

8 MR. CAMPBELL: Yes, I could hand them out, too,
9 just so we have them.

10 MS. BRADLEY: Yes, let's go ahead and do that.
11 We might even use it for the witness.

12 (Exhibits C-1 through C-12, C-A, C-B, C-C, C-D,
13 C-E, C-F, C-G, C-K, C-L, C-M, C-N, C-O and C-Q were
14 admitted, together with the statement as read above, and
15 it was stipulated that the previous record and all of
16 its exhibits would be made a part of this hearing.)

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

19 MR. CAMPBELL: Ms. Palmer, was it H, I and J
20 you said were repetitive?

21 MS. PALMER: Yes.

22 MR. CAMPBELL: Instead of having me just go
23 through those right now to make sure, because I'm not
24 sure they're exactly repetitive, but I can do that at a
25 later date. So I will not hand those it out. Later,

1 I'll deal with it later in the case.

2 MS. BRADLEY: Okay.

3 MR. CAMPBELL: But I will hand out, though, L
4 through Q, with the exception of P.

5 MS. BRADLEY: I think, you mean K as well,
6 because, I think, K you had. Right?

7 MR. CAMPBELL: Let me see. Yes, K.

8 It's H, I and J.

9 MS. BRADLEY: Yeah, those were the ones she
10 said were duplicative. And then K through O she has no
11 issue with, and Q.

12 (There was a period off the record while
13 exhibits were handed out.)

14 MS. BRADLEY: So did you hear that, Mr. Chair,
15 that, for right now, Mr. Campbell's going on wait on H,
16 I and J, because he wants to check that they're
17 duplicative?

18 BOARD CHAIRMAN ZANE: All right. Thank you.

19 MS. BRADLEY: Okay.

20 (There was a period off the record while
21 exhibits were handed out.)

22 MR. CAMPBELL: I'm going to reserve Q.

23 MS. BRADLEY: Okay.

24 MR. CAMPBELL: I mean P, I'm going to
25 reserve P.

1 MS. BRADLEY: Okay.

2 MR. CAMPBELL: Here's Q.

3 MS. BRADLEY: Q. Okay.

4 (Mr. Campbell left the room.)

5 MS. BRADLEY: We're off the record.

6 (There was a short period off the record at

7 1:46 p.m.)

8 BOARD CHAIRMAN ZANE: Ready, Shannon?

9 THE REPORTER: Yes, thank you.

10 BOARD CHAIRMAN ZANE: Thank you.

11 MS. PALMER: Are we ready for opening?

12 BOARD CHAIRMAN ZANE: Please.

13 MS. PALMER: Mr. Chairman, members of the
14 Board, we are here today because ESI Security violated
15 the stipulated agreement between ESI Security and the
16 Private Investigator's Licensing Board.

17 That agreement was executed on March 3rd, 2016,
18 and it was very specific in both its terms and with the
19 time frames within which each term required performance.

20 The clock started ticking when Chairman Zane
21 signed the order accepting the stipulated agreement on
22 March 10th, 2016.

23 And the state will show that ESI Security did
24 not timely perform its obligations thereafter.

25 In addition, as part of the agreement, ESI

1 Security agreed to a revocation of its license, which
2 was stayed pending successful and timely completion of
3 the terms of the agreement, the most important of which
4 required ESI Security to comply with the law, and
5 particularly those laws which govern its license under
6 NRS Chapter 648.

7 The state will show that ESI violated the
8 agreement only one month after it was entered into by
9 the Board. And they continued to violate the agreement
10 each month thereafter by failing to timely pay its debt
11 resulting from violation fines and legal fees incurred
12 by the Board that were made necessary through an amended
13 complaint that this Board issued in November of 2015 in
14 an effort to gain compliance with its licensee, ESI
15 Security.

16 Now, in its answer to the complaint, ESI
17 Security has attempted to minimize the untimely payments
18 by suggesting that they weren't actually late or,
19 alternatively, that the short delay is too minimal to
20 warrant a lift of the stay automatically revoking its
21 license.

22 The state agrees that the time delay was short,
23 although it was getting progressively longer, beginning
24 in April and proceeding through July of 2016. But the
25 significance of the delay is underscored when the facts

1 giving rise to the amended complaint are highlighted.

2 The state will show that before entering into
3 the agreement, Board staff emphasized to ESI Security
4 the compliance from its licensees was of primary
5 importance and that their greatest reluctance of
6 entering into an agreement was their concern that ESI
7 Security, through its past conduct, had established
8 itself as a licensee that was above the law.

9 ESI Security ignored violations issued by the
10 Board for more than a year and a half, and they ignored
11 staff's repeated communications attempting to gain
12 compliance.

13 ESI Security failed to pay several of its
14 employees wages, even after the State Labor Commissioner
15 ordered it to do so. These unpaid wages amounted to
16 almost \$30,000. One of the employees waited nearly four
17 and a half years for his wages, which were only paid
18 after this Board filed its complaint.

19 ESI Security had been issued eight violations
20 by Board staff, which combined included employing 47
21 unregistered persons, failing to notify the Board when
22 12 employees commenced their employment, and failing to
23 include its PILB license number on its Internet website.

24 The fines were small, ranging from \$100 to
25 \$3,000, and combined only total \$5,325. But the amount

1 of staff and legal time spent attempting to gain
2 compliance was tremendous. In the end, the legal fees
3 alone exceeded \$30,000.

4 The agreement was a good one, and it was a fair
5 one, which this Board voted four to one to accept. Most
6 importantly, by entering into it, the Executive Director
7 believed that the terms of the agreement, and
8 particularly the stay of revocation, were sufficient to
9 address the concern that brought ESI Security before
10 them in the first place, that being its unwillingness to
11 comply with the law and acknowledge that it held a
12 privileged license, that with it comes responsibility to
13 obey the law to ensure the protection of the citizens of
14 this state.

15 So how did they violate the agreement?

16 Beginning with the first payment, half of which
17 was due in April, ESI Security failed to timely remit
18 payment on the date that it was due. This prompted a
19 phone call between the Board's legal counsel and ESI
20 Security's then legal counsel, which resulted in
21 remittance of the payment that same day.

22 At that time, to avoid future late payments,
23 ESI Security was advised that payments were due on the
24 9th day of every month.

25 And if that had been the only infraction, we

1 would not be here today.

2 Following the late payment in April later that
3 month, the Executive Director met with ESI Security at
4 their offices in northern Nevada. He saw that ESI
5 Security appeared to be housed in the same building with
6 sister companies owned and operated by ESI Security's
7 qualifying agent, Mr. Hendi. These companies provided
8 harmoniously-related services to those provided by ESI
9 Security, such as event staffing, fingerprinting and
10 document shredding.

11 The Executive Director provided training to ESI
12 Security management, including Mr. Hendi and collective
13 staff, wherein he emphasized the importance of employee
14 registration for all employees, including clerical
15 staff.

16 Much to Executive Director Ingram's surprise,
17 the following month, despite the admonition about the
18 payment due date, the payment was again late.

19 Simultaneously with the late payment, Board
20 staff further learned that ESI Security appeared to be
21 employing more individuals who had not been registered.
22 This, combined with the late payment, communicated to
23 Mr. Ingram that the Board's primary objective of
24 entering into the agreement, which was to give ESI
25 Security a fresh start to comply with the law, had not

1 been satisfied.

2 And so that began the investigation that led to
3 the notice of violation that the Board heard on appeal
4 in the last agenda item.

5 And as the evidence demonstrated, ESI Security
6 management was aware of the potential violation the day
7 after the May payment became due. The investigation
8 continued. And, surprisingly, even given increased
9 scrutiny with the unregistered employees, when one would
10 expect ESI Security would be extra diligent in its
11 performance obligations under the agreement, it was
12 again late on the June payment.

13 Less than a week after that, ESI Security was
14 served with a notice of violation pertaining to the
15 unregistered employees. Even other after that, ESI
16 Security remitted its July payment late.

17 After ESI Security filed its notice of appeal,
18 and its counsel learned that staff would be moving
19 forward on the claim alleging breach of the stipulated
20 agreement, in part due to the late payments, it then
21 paid the full debt owed to the PILB just two business
22 days later, in August.

23 This was the same pattern it had established
24 with the Labor Board payments, wait until push comes to
25 shove, and when ESI Security is backed up against the

1 wall, pay off the debt and ask the authorities to excuse
2 any transgression.

3 Enough is enough. ESI Security has proven time
4 and again that it will not comply with the law or the
5 agreement, even when its privileged license hangs in the
6 balance.

7 For this reason, at the conclusion of the
8 evidence, the state will be asking this Board to find
9 that ESI Security breached the stipulated agreement,
10 thereby triggering the provision that allows this Board
11 to lift the stay.

12 And, further, the state will ask this Board to
13 lift the stay, such that ESI Security's license will be
14 automatically revoked, pending the conclusion of any
15 judicial due process which results in a favorable
16 termination for the state that ESI Security chooses to
17 avail itself of.

18 BOARD CHAIRMAN ZANE: Mr. Campbell.

19 MR. CAMPBELL: Thank you, Mr. Chairman, other
20 Board members.

21 This, this case is not about the previous
22 violations. Those violations were settled without any
23 admission of wrongdoing by Mr. Hendi in a settlement
24 negotiation. So Ms. Palmer's focus on that is not the
25 proper focus of this hearing.

1 This matter centers around a stipulation and a
2 settlement whereby ESI and Mr. Hendi agreed to pay a
3 considerable sum of money to the PILB to settle these
4 various outstanding notices of violation, again without
5 an admission of wrongdoing.

6 Now, as part of that stipulation, the agreement
7 that both sides agreed to, the PILB staff and Mr. Hendi,
8 and that was approved by the Board, it was anticipated
9 that Mr. Hendi would be given a fresh start with the
10 staff; second, that Mr. Ingram was to visit the ESI
11 Security offices to speak about policies and procedures
12 and try to ensure that everyone was on the same page;
13 and, finally, as consideration for the agreement, both
14 of the counsel for the two parties were agreed to
15 communicate and discuss any issues that might arise
16 and/or to obtain clarification or opinion with the scope
17 of the agreement.

18 None of those three things happened. ESI
19 Security and Mr. Hendi were not given a fresh start.
20 And there was no in-detail discussion about clarifying
21 what was expected and how the stipulation worked.
22 Instead, it appears that staff, because of what they
23 view as Mr. Hendi's past transgressions and his failure
24 to comply with this, staff wants to put Mr. Hendi out of
25 business and put his 500, or hundreds of employees out

1 of work and his customers without a vendor.

2 The two matters that they rely on in this
3 complaint do not violate the stipulation. And, instead,
4 the staff is the one that's vitiated the promise it made
5 in return for the substantial payment made by ESI
6 Security.

7 After the payments themselves, Mr. Hendi and
8 ESI have paid every dime due under the stipulation, and
9 they have paid it in a timely fashion. Alleging that
10 all the payments are late, as will be shown as I go
11 through the stipulation itself and compare that to the
12 complaint, will show that the stipulation drafted by
13 Ms. Palmer was inartfully drafted and confusing, was, in
14 essence, taking a one-sided view of the -- she is, in
15 essence, taking a one-sided view of the payment timing
16 provisions, that is not, simply not supported by the law
17 or the language of the agreement.

18 Secondly, they agreed that Mr. Ingram worked
19 with the company to solve all the problems and be on the
20 same page. Again, that was ignored. That was given lip
21 service to that agreement.

22 The agreement for counsel to work together,
23 identify, was, again, given lip service. I think, there
24 was one email that discussed that.

25 Furthermore, the agreement contained a

1 provision to carve out any preexisting facts that
2 existed prior to the notice of violation. And the
3 notice of violation that we just heard considered
4 existing facts that existed well before the stipulation
5 was entered into.

6 And most importantly and most disturbing, each
7 and every payment made by ESI Security to the PILB staff
8 was cashed, without question, without notice, with the
9 exception of the first one that Ms. Palmer referenced in
10 the email. Each and every one after that, the May
11 payment, the June payment, the July payment, none of
12 those were, none of those were questioned or at all or
13 had any restrictive endorsement on them. They were
14 cashed by the PILB.

15 And Mr. Hendi or ESI Security were never once
16 told that if you pay a payment late, even under your
17 scenario, that we are going to consider it a breach of
18 the agreement, and we are going to go after your
19 license. Even on the April hearing, April email to
20 Mr. Smith from Ms. Palmer, she doesn't say anything
21 about any future late payments, or this payment will
22 serve as grounds for revocation of the stipulation.

23 That acceptance of those payments, putting
24 those payments in the bank account of the PILB, not
25 giving Mr. Hendi or anybody at ESI Security any notice

1 whatsoever that those payments were late, is a waiver of
2 any argument that he was late in those payments. And to
3 claim that the payments are late, I think, is clearly a
4 violation of the stipulation, since they cashed the
5 check without any notice that they were late.

6 That's all I have. Thank you.

7 BOARD CHAIRMAN ZANE: Thank you, sir.

8 Ms. Palmer, would you like to proceed with your
9 case?

10 MS. PALMER: Yes, Mr. Chairman. I'll call
11 Executive Director Kevin Ingram.

12 BOARD CHAIRMAN ZANE: The oath previously taken
13 in the other matter still stands.

14 MS. BRADLEY: I should, could I ask one thing
15 for the record? I don't know if we talked about the
16 rule of exclusion or if there's witnesses other than the
17 parties. I don't know if...

18 MR. CAMPBELL: How many witnesses is the PILB
19 staff going to call, just Mr. Ingram?

20 MS. PALMER: This one right here.

21 MS. BRADLEY: Okay. And then you guys have?

22 MR. CAMPBELL: I have one other one. But I
23 don't, I don't want to invoke the rule of exclusion.

24 MS. BRADLEY: Okay.

25 MR. CAMPBELL: I'm fine with it.

1 MS. BRADLEY: Okay.

2 MS. PALMER: No, I do have a problem with that.

3 MR. CAMPBELL: Okay.

4 MS. PALMER: Yes, we will be invoking it.

5 MS. KOCHHEL: Outside?

6 MR. CAMPBELL: You'll need to leave.

7 MS. PALMER: Can you please, for the record,
8 state who it was that just left the room?

9 MR. CAMPBELL: Yes. Kibbie Kochel ("Koke-el").

10 MR. HENDI: "Koech-el."

11 MS. BRADLEY: "Koech-el." I'm sorry.

12 MS. PALMER: So Mr. Smith will not be
13 testifying; is that correct?

14 MR. CAMPBELL: He's not in the room.

15 MS. BRADLEY: Yeah, Mr. Smith --

16 MS. PALMER: That wasn't my question, counsel.

17 MR. CAMPBELL: He will be testifying.

18 MS. PALMER: So how many witnesses do you have,
19 counsel?

20 MR. CAMPBELL: It will be three.

21 MS. PALMER: Ms. Bradley, would now be the time
22 to inquire about the third witness that I wasn't aware
23 of? I don't know whether or not I have any objections.
24 Or do we wait until he calls them?

25 MS. BRADLEY: I thought it might be Mr. Hendi,

1 because, by my counting --

2 MR. CAMPBELL: Yeah.

3 MS. BRADLEY: -- it's the one who left,
4 Mr. Smith and Mr. Hendi.

5 MR. CAMPBELL: Correct.

6 MS. PALMER: Who's the one that left?

7 MS. BRADLEY: He said the name. He could
8 probably say it again. I might not say it right.

9 MS. HENDI: Kibbie Kochel.

10 MS. BRADLEY: Kibbie Kochel.

11 MS. PALMER: And who is that, if I might ask?

12 MR. CAMPBELL: She is the person at Events
13 Services that cut the checks.

14 MS. PALMER: I will just say that I'm a little
15 bit frustrated, because we talked about the rule of
16 exclusion. We talked about Mr. Smith being present at
17 the September hearing and that he shouldn't have been in
18 the room. So I'm a little surprised that they were
19 there for the opening statement.

20 And I just want that on the record.

21 MR. CAMPBELL: Well, you could have invoked it,
22 also. Like I said, I --

23 MS. PALMER: We did, back in September.

24 MR. CAMPBELL: I invoked it in September for
25 that hearing.

1 MS. BRADLEY: Well, I would say --

2 MS. PALMER: And I did as well.

3 MS. BRADLEY: I would just say, hey, for the
4 record, I mean we haven't started taking evidence yet.
5 Opening statements aren't evidence. And I wanted to
6 make sure, before we had testimony start, that we
7 cleared that up if there was an issue with it.

8 BOARD CHAIRMAN ZANE: Do we need a new oath,
9 Ms. Bradley?

10 MS. BRADLEY: No, I mean, I think, if you're
11 comfortable with the fact that he was sworn in the
12 previous matter and he remains under oath, I think,
13 that's acceptable.

14 MS. PALMER: Should we make sure that
15 Mr. Campbell -- I mean I'm okay with it. But I'm going
16 to expect that his witnesses be sworn. So does he want
17 Mr. Ingram sworn?

18 MR. CAMPBELL: Go ahead. If you're going to --

19 MS. BRADLEY: Yes, if you're going to have all
20 the witnesses resworn, then, I guess, we should do that
21 right now. And do we want to call the witness in the
22 hallway back in to be resworn, then?

23 MS. PALMER: Or we can just swear them when
24 they come in.

25 MR. CAMPBELL: Yeah.

1 MS. PALMER: They were never sworn. So, of
2 course, they have to be sworn.

3 MR. CAMPBELL: We can do it when they come in.

4 MS. BRADLEY: Okay. That's fine.

5 BOARD CHAIRMAN ZANE: Ms. Bradley, do you have
6 the oath?

7 MS. BRADLEY: No, but I can just say it. Or, I
8 think the court reporter knows it, too.

9 THE REPORTER: I can do it.

10 MS. BRADLEY: Yeah, let's do that.

11 (The Reporter swore/affirmed two witnesses,
12 Kevin Ingram and Mahmoud Hendi.)

13

14 K E V I N I N G R A M,

15 having been duly sworn/affirmed,

16 was examined and testified as follows:

17

18 DIRECT EXAMINATION

19 BY MR. PALMER:

20 Q. Mr. Ingram, where were you employed, and what
21 is your job title?

22 A. I'm employed with the Nevada Private
23 Investigator's Licensing Board as the Executive
24 Director.

25 Q. How long have you been employed by the Private

1 Investigator's Licensing Board?

2 A. Since September 2012.

3 Q. What are your job duties?

4 A. Overall operation of Board staff, the creation
5 and management of the budget and revenues, expenses
6 paid, hiring and training of staff, and disciplinaries.

7 Q. Mr. Ingram, will you please explain the
8 circumstances that led to you entering into the
9 stipulated agreement, at Exhibit 3, beginning on the
10 pages marked PILB 78 through 94?

11 A. Prior to the stipulation for settlement, there
12 were several notices of violations that had been issued
13 to Mr. Hendi and --

14 (The Reporter interrupted to indicate
15 difficulty hearing Las Vegas.)

16 THE WITNESS: Prior to the stipulation for
17 settlement, there were several notices of violations
18 that had been issued to Mr. Hendi and ESI Security
19 Services for a myriad of different violations. ESI
20 Security did not pay those notice of violations, nor did
21 they appeal. And it became an ongoing problem.

22 While we were conducting investigations and
23 following up on how we were going to proceed, I was also
24 contacted by the State Labor Board and informed that ESI
25 had several outstanding judgments against them, where

1 they had failed to pay their employees. So that, in
2 hand with the numerous notice of the violations that had
3 not been paid, we decided that we would get with Board
4 counsel and bring Mr. Hendi before the Board for
5 possible disciplinary actions, which led to the
6 stipulation agreement being approved on that day of the
7 actual hearing, in the final hours, to come up with an
8 agreement that was authored both by Board Counsel
9 Raelene Palmer and ESI's counsel at that time, Rob
10 Smith.

11 BY MS. PALMER:

12 Q. Mr. Ingram, prior to the stipulated agreement,
13 had there been an amended complaint that brought them
14 before the Board?

15 A. Amended complaint. I'm sorry. I can't recall.

16 Q. Well, do you recall how it was that they came
17 before the Board, that resulted in an agreement, what
18 the procedure was?

19 A. Well, it was a notice of complaint filed with
20 them to bring them before the Board for an actual
21 hearing.

22 Q. And was there an actual complaint?

23 A. Yes.

24 Q. Okay.

25 A. Yes.

1 Q. And if you would turn to Exhibit 1. Is this
2 the complaint that you're referring to?

3 A. Which exhibit are you on?

4 Q. Exhibit 1. Well, I'm sorry. Pages 43 through
5 68?

6 A. Yes, it is.

7 Q. Why did you enter into the stipulated
8 agreement?

9 A. The main reason was we wanted a resolution. We
10 wanted ESI and Mr. Hendi to comply with the laws and
11 regs. We were fully prepared to go forward with a
12 hearing to actually revoke the license of Mr. Hendi.
13 But as a good faith effort, we went ahead and worked out
14 an agreement that we felt was both fair and equitable to
15 both parties, and as kind of a last chance for Mr. Hendi
16 to start complying with the laws and regulations and the
17 requests of the Board.

18 Q. Did you have any concerns about whether or not
19 you would actually be able to prove the violations that
20 were referenced in the complaint?

21 A. Absolutely not.

22 Q. When did you enter into the stipulated
23 agreement?

24 A. It was March. I believe, the order was signed
25 on March 10th, if I remember correctly, by Board Chair.

1 We would have gone, we had, we'd have gone into an
2 agreement prior to the actual order being signed.

3 Q. And if you would turn to Exhibit 3, page 93.

4 A. Exhibit 3, page 93. Okay.

5 Q. Is this the signature that evidences the
6 entering into the agreement?

7 A. Yes, it is.

8 Q. And who signed the agreement?

9 A. Both Mr. Hendi and myself, along with Board
10 Counsel Raelene Palmer and ESI's counsel, Robert Smith,
11 J. Robert Smith.

12 Q. And would you agree that the counsels'
13 signature recognized that they had approved the
14 agreement as to the form of the agreement?

15 A. Yes.

16 Q. And what is the date of the agreement?

17 A. It's dated March 3rd, 2016.

18 Q. Was there an order entered approving the
19 stipulated agreement?

20 A. Yes, there was.

21 Q. When was it dated?

22 A. That was March 10th, 2016.

23 Q. And if you would turn to page 75 of Exhibit 3.
24 Is this the order approving that stipulation?

25 A. Yes, it is.

1 Q. And when is it dated?

2 A. It's dated March 10th, 2016.

3 Q. And whose, whose signature appears in the
4 signature line?

5 A. Board Chair Mark Zane.

6 Q. What did the stipulated agreement require ESI
7 to do?

8 A. It required them to do several things. And
9 could I refer to the actual stipulation?

10 Q. Would that help, would that help refresh your
11 recollection?

12 A. Well, yeah, because there were several times.

13 Q. Okay. If you'd turn to page 87 of Exhibit 3.

14 A. Okay. Okay.

15 Q. Take your time if you need to read before you
16 answer.

17 A. Okay. On line 23, on page 87, it starts with
18 ESI Security Services, Mahmoud Hendi, owner and
19 qualifying agent, agrees to be on probation for a period
20 of 18 months. During this period of probation, ESI
21 agrees to a stay of revocation of its license pending
22 the satisfactory completion of the additional terms
23 listed in terms number three through nine. And after
24 completion of the terms, they could petition the PILB to
25 remove the probation and stay of revocation.

1 Section 3, on line three of Bates-stamped 88,
2 that ESI will not engage in any act that constitutes
3 grounds for discipline pursuant to NRS 448.150 or NRS
4 648.164. And then it lists several other references in
5 the NRS and NAC.

6 Number four, ESI --

7 Q. I'm sorry, Mr. Ingram. I don't mean to
8 interrupt you. But would you please specify what the
9 first reference to NRS is, after the including but not
10 limited to?

11 A. 648.060. That's NRS 648.060.

12 Q. Okay.

13 A. And, number four, on line 7, ESI agreed to pay
14 the eight outstanding notices of violation in the total
15 amount of \$5,175.

16 Number five, on line nine, ESI agrees to be
17 assessed a fine of \$1,000 for each of the first eight
18 claims for relief in the alleged violations for failing
19 to pay the notices of violation, for a total assessed
20 fine of \$8,000.

21 Line number 12, paragraph six, ESI agreed to
22 pay Jon Zsenyuk the amount of \$5,145.70, according to
23 the final order dated April 10th, 2013, issued by the
24 Nevada State Labor Commissioner, and that they would pay
25 him within 10 days from the effective date of the PILB's

1 order approving agreement provided that Mr. Zsenyuk,
2 within 10 days, executed a release of all claims against
3 ESI.

4 Line 23, paragraph seven, pursuant to NRS
5 622.400, ESI shall reimburse the PILB for its costs and
6 attorney fees associated with the disciplinary action in
7 an amount not to exceed \$30,000, one-half which would be
8 due and payable within 30 days from the effective date
9 of the PILB's order approving the agreement, and that
10 the PILB -- it also says an accounting of the PILB's
11 costs and attorneys' fees will be sent to ESI by mail
12 within 15 days from the date of the order.

13 Bates stamp 89, line one, paragraph eight,
14 one-half of the fines assessed in the above paragraphs
15 four and five, \$13,175 is now due and payable by ESI,
16 these fines totaling \$6,587.50 must be paid within 30
17 days from the date of the PILB's order approving
18 agreement.

19 And line six, paragraph nine, the remaining
20 one-half of the fines assessed above in paragraphs four
21 and five, \$6,587.50, and the remaining costs and fees
22 assessed in paragraph seven, shall be paid in 12 equal
23 monthly installments beginning 60 days from the
24 effective date of the PILB's order approving the
25 agreement.

1 Q. Is that it?

2 A. That's it.

3 Q. What did the stipulated agreement require the
4 PILB to do?

5 A. Well, as stated in paragraph seven, Bates stamp
6 88, that an accounting of the PILB's costs and
7 attorneys' fees would be sent to ESI within 15 days from
8 the date of the order. And that -- that attorneys for
9 both ESI and for the Private Investigator's Licensing
10 Board would discuss facts and clarification.

11 And paragraph 16, that myself, Kevin Ingram,
12 Executive Director, would agree to visit ESI's
13 headquarters at a mutually convenient time within the
14 first six months following the effective date of the
15 PILB's order approving the agreement.

16 And that's what I see.

17 Q. Did the PILB comply with the requirements of
18 the agreement?

19 A. Yes, we did.

20 Q. Mr. Ingram, would you please turn to Exhibit 5.
21 Is this the declaration of attorneys' fees and costs
22 required by the stipulated agreement, paragraph seven,
23 at page 88?

24 A. Yes, it is.

25 Q. When is that dated?

1 A. It's dated March 9th, 2016.

2 Q. And how does that date -- what was the date of
3 the order, that the order was entered into?

4 A. March 10th.

5 Q. So that information was actually provided
6 before the order had been entered into; is that correct?

7 A. That's correct.

8 Q. Mr. Ingram, did you provide the training
9 required by the stipulated agreement, paragraph number
10 16, at page 90?

11 MR. CAMPBELL: I'm going to object to the
12 characterization of it as training. I think, the
13 stipulation said it's something different than training.

14 MS. PALMER: Fair enough. I'll rephrase.

15 BY MS. PALMER:

16 Q. Did you go out and meet with them, as you had
17 agreed to do, to go over and to answer any questions
18 that they might have about policies and procedures?

19 A. Yes, I did.

20 Q. When did you do that?

21 A. It was April 26th, 2016.

22 Q. So that was within six months of the order?

23 A. Yes, it was.

24 Q. Do you recall what -- okay. Never mind.

25 Did ESI comply with the requirements of the

1 agreement?

2 A. No.

3 Q. Did they comply with any of the terms of the
4 agreement?

5 A. They made their initial 50 percent of the
6 citations in a timely manner to us.

7 Q. Anything else? And I'm specifically thinking
8 of Mr. Zsenyuk.

9 A. Oh, yes, Mr. Zsenyuk, that is correct.

10 Q. And so what obligations did they fail to meet?

11 A. Timely payment of the remaining fees associated
12 with the stipulation agreement.

13 Q. When did that first happen?

14 A. The first payment in May. I'm sorry. April.

15 Q. And what were they required to provide at that
16 time?

17 A. In April, they were required to pay 50 percent
18 of the attorney fees in the amount of \$15,000.

19 Q. What was your reaction when you realized that
20 they hadn't paid?

21 A. Disbelief.

22 Q. Why?

23 A. Because the whole reason for the complaint and
24 hearing and for a stipulated agreement was failure to
25 pay in a timely manner.

1 Q. So how did it come to your attention that they
2 hadn't paid?

3 A. I had sent information to my Carson City
4 office, and then our office in the south, myself and
5 Chief Irizarry, of the dates that the payments were due,
6 so that both offices, no matter where the payment would
7 be received, would be able to inform me of when the
8 payments were made.

9 So I had sent a notification to my Carson City
10 office. And when I hadn't received it in the southern
11 office, I contacted the north to see if they had
12 received the payment in the northern office.

13 Q. And, Mr. Ingram, would you please turn your
14 attention to Exhibit Number 6, page 152.

15 A. Yes.

16 Q. Is this the email that you're referring to
17 that's communicating to you that you hadn't received the
18 payment?

19 A. Yes.

20 Q. What did you do in response to not receiving
21 the payment?

22 A. I notified counsel.

23 Q. And if you'd move to the very next page,
24 beginning with 153 and proceeding through 155, did you
25 receive this communication?

1 A. Yes.

2 Q. What was the importance of the communication?

3 A. Well, first of all, it was for legal counsel to
4 notify their attorney that the PILB had not received the
5 15,000 that was due the day prior. And then for --
6 let's see. And to clarify whether the actual payments
7 were due.

8 Q. Okay. If you would start with the first
9 communication, beginning at the bottom of page 154, that
10 begins there, and then the actual communication extends
11 to page 155, what time, what day and what time was that
12 sent?

13 A. It was an email sent from Deputy Attorney
14 General Raelene Palmer on Tuesday, April 12th, 2016, at
15 9:01 a.m.

16 Q. And who was it sent to?

17 A. It was sent to Rob Smith, who was ESI's
18 counsel.

19 Q. And what did it communicate?

20 A. It says "Rob, the PILB did not receive the
21 \$15,000 in legal fees due yesterday," with a signature
22 line of Raelene Palmer.

23 Q. How did he respond?

24 A. He responded the same day, at 3:50 p.m., "Okay,
25 Mr. Hendi says the payment is on its way. Also, he says

1 that April 26th works for Kevin to come visit ESI if
2 that date is still good with Kevin," signature line for
3 J. Robert Smith.

4 Q. And Mr. Smith is Mr. Hendi's legal counsel, or
5 was at that time?

6 A. At that time, yes.

7 Q. What is the communication about April 26th
8 working for you to come visit ESI, what was that in
9 reference to?

10 A. Well, I knew I had six months to set up the
11 visit with Mr. Hendi, to do the presentation for him,
12 and I wanted to get it done as soon as possible to make
13 sure they were on notice of what was expected right
14 away. So it was the date that I had proposed for myself
15 to go and visit ESI and provide that.

16 Q. And, Mr. Ingram, if you had wanted Mr. Hendi
17 and ESI Security to fail, err in breaching a term of the
18 agreement, you could have waited until September 10th to
19 conduct your training --

20 MR. CAMPBELL: I'm going to object. I've let
21 this go for a while. But can you ask counsel not to
22 lead the witness on all these questions? That's clearly
23 a leading question.

24 MS. PALMER: You're allowed to do leading
25 questions. I think, you're allowed to do that with the

1 relaxed terms of the proceedings, counsel. I mean I'm
2 happy to try and change the question. I'm trying to
3 speed things along. But, I think, it's also allowed.

4 MS. BRADLEY: And I will check the rule, but.

5 MS. PALMER: I'll just rephrase the question,
6 so you don't have to look that up.

7 MS. BRADLEY: Okay.

8 BY MS. PALMER:

9 Q. Mr. Ingram, why didn't you wait six months to
10 actually conduct the training?

11 A. Well, as I said, I wanted to get it done as
12 soon as possible, so that they were on the same page and
13 knew what was expected of them sooner than later.

14 Q. So after Mr. Smith indicated that payment was
15 on its way, was there a further communication?

16 A. Yes, further communication from Deputy Attorney
17 General Raelene Palmer to Mr. Smith, and it says "What
18 does 'on its way' mean? Please call me to discuss the
19 reason for the breach. My client needs to understand
20 what happened."

21 Q. And was there a response to that?

22 A. Yes, there was. On Thursday the 14th,
23 9:06 a.m., Mr. Smith responded "Sorry for the delay.
24 I've been tied up on a massive appellate brief. Anyway,
25 it means it was overnighted on Tuesday. You should have

1 received it yesterday. Hendi told me that he calculated
2 30 days from the day he received the agreement, rather
3 than when the agreement was actually signed by the
4 Board."

5 Q. Does the communication from Mr. Smith dispute
6 my statement to him, counsel's statement to him that the
7 assertion that there had been a breach of the agreement?

8 A. No.

9 Q. And was there further communication after that?

10 A. Yeah, there was. On Thursday, April 14th, at
11 10:55, from Deputy Attorney General Raelene Palmer to
12 Rob Smith, and it states "Okay. The 9th of the month is
13 the actual day that payments are due, but this month the
14 9th landed on a Saturday. Last question is whether you
15 planned on being at the training Kevin will be
16 conducting on April 26th?"

17 Q. Is there evidence that Mr. Smith received this
18 communication?

19 A. Yes, there is.

20 Q. And what would that be?

21 A. He replied on Tuesday, April 19th, 9:58 a.m.,
22 and it says "Sorry, I was in Las Vegas all day yesterday
23 in a settlement conference. No, I will not attend so
24 you don't need to."

25 Q. So the communication to him was originally sent

1 on April 14th?

2 A. That's correct.

3 Q. And he waited how many days to respond?

4 A. He responded on the 19th.

5 Q. Did you eventually receive the payment?

6 A. Yes, we did.

7 Q. And, Mr. Ingram, if you'd turn to Exhibit 7,
8 page 157. Is this a copy of the check that you
9 received?

10 A. Yes, it is.

11 Q. When is it dated?

12 A. The check is actually dated April 10th, 2016.

13 Q. And does it indicate when the payment was sent?

14 A. On the following page is a copy of a FedEx
15 envelope showing that it was sent on April 12th, 2016.

16 Q. And how was it sent?

17 A. Federal Express.

18 Q. With delivery set for when?

19 A. Priority overnight delivery Wednesday, April
20 13th, at 10:30 a.m.

21 Q. And when did your counsel communicate with
22 Mr. Smith?

23 A. Let me go back. One second. Originally, on
24 April 12th at 9:01 a.m.

25 Q. Was there a hearing in which the Board voted to

1 accept the stipulated agreement?

2 A. Yes, there was.

3 Q. Was there a court stenographer at the hearing
4 transcribing the meeting?

5 A. Yes, there was.

6 Q. Were the terms of the agreement discussed at
7 the hearing?

8 A. Yes, they were.

9 Q. Would you please turn to Exhibit 4, beginning
10 with page 96 and ending on page 146. Is this a true and
11 correct copy of the transcript of that meeting?

12 A. Yes, it is.

13 Q. Would you please turn to page 144. Would you
14 please read the paragraph beginning on line 16 and
15 ending on line 21.

16 A. So, normally, that would -- what would happen
17 next is we would, the Board would do an order approving
18 the agreement, and the settlement agreement becomes an
19 exhibit to that order. And I think that the Chairman
20 signs that order on behalf of the Board. So that
21 will -- and that, of course, starts the dates when
22 everything starts becoming due.

23 Q. Who is speaking in that particular paragraph
24 that you just read?

25 A. Board Counsel Sarah Bradley.

1 Q. Was Mr. Hendi present at the meeting?

2 A. Yes, he was.

3 Q. And did his counsel agree with what Ms. Bradley
4 stated?

5 A. Yeah, he did.

6 Q. And is that on line 22 of PILB number 144?

7 A. Yes, it is.

8 Q. Was there further communication in response to
9 Mr. Smith's statement explaining that the reason for the
10 breach, according to Mr. Hendi, was due to him
11 calculating the due dates from the date he received the
12 order rather than when it was signed?

13 A. Yes.

14 Q. Do you believe that this clarified any
15 misunderstanding regarding when payments were due?

16 A. Yes.

17 Q. And does this comport with the expectation of
18 the agreement regarding potential misunderstanding?

19 A. Yes.

20 Q. Why didn't you pursue relief under --

21 A. I apologize (referring to his coughing).

22 Q. I'll start again. Why didn't you pursue relief
23 under the agreement for the breach at that time?

24 A. Well, discussion with counsel, and just, again,
25 out of good-faith effort, you know, we knew what was

1 expected. It was clear what was expected. It happened
2 so quickly. And, again, a good-faith effort, okay, now
3 we -- now he knows exactly when it's due. Let's just
4 move forward, expecting that all of the following
5 payments would be received in a timely manner.

6 Q. Were they?

7 A. No.

8 Q. What other obligation did ESI fail to meet?

9 A. Well, they didn't make the next month's payment
10 timely.

11 Q. That was due in?

12 A. May.

13 Q. If you'll turn your attention to Exhibit
14 Number 8, page 160. Is this a copy of the check that
15 you received?

16 A. Yes, it is.

17 Q. When was it due?

18 A. On the 9th of May.

19 Q. And when is it dated?

20 A. May 9th.

21 Q. When was it postmarked?

22 A. This, this exhibit doesn't have the envelope,
23 but I remember that it was postmarked on the 12th, and
24 we received it on the 17th.

25 Q. And if you would turn to exhibit page number

1 160.1.

2 A. I don't have that. The witness book is missing
3 that exhibit.

4 Q. Here's a copy for you.

5 A. Okay. Okay.

6 Q. Mr. Ingram, what is this particular document?

7 A. It's an email I sent to Board, not Board, yeah,
8 Board Counsel Raelene Palmer, and it just states:
9 Raelene, we just received ESI's check in the amount of
10 \$2,000. The date on the check is 5-9-2016, postmarked
11 on 5-12-2016 and received on 5-17-2016.

12 Also put in there that they had addressed it to
13 our old street number from a year and a half ago.
14 However, that did not delay delivery.

15 Q. How do you know that that didn't delay
16 delivery?

17 A. Because I received it on the 12th, or I mean on
18 the 17th. It was sent on the 12th.

19 Q. Because it was postmarked on the 12th?

20 A. Correct.

21 Q. So it was already late by the time it was sent?

22 A. Absolutely.

23 Q. Mr. Ingram, what do the date stamps on the
24 check at page 160 represent?

25 A. I'm going to have to explain this a little bit.

1 Normally, there's one date stamp on a check when we
2 receive them. You can imagine we receive checks from a
3 lot of different licensees for a lot of different
4 reasons. They would be date-stamped on a check the day
5 that they are deposited into the bank. However, on this
6 one, there's a May 19th check stamp received July --
7 June 2nd date stamp. And we had a lot of turnover in
8 our front office. And we had some staff that were not
9 date-stamping the checks correctly.

10 Q. So, Mr. Ingram, are you trying to pull a fast
11 one there on the actual dates, by having multiple stamps
12 on the check?

13 A. Well, no. I received the check on the 17th.
14 That's when I sent an email immediately following.

15 Q. And these stamps actually reflect dates that
16 are after the 17th; is that correct?

17 A. Correct. So I was being honest with my email
18 and corrected staff. By the way, that staff member no
19 longer works for us.

20 Q. Did you have any communication with ESI
21 regarding the late payment?

22 A. I did not.

23 Q. Why not?

24 A. Well, for several different reasons. At the
25 same time, we had an investigation going for a potential

1 violation to the stipulation agreement as well. And the
2 stipulation agreement said that Board counsels would
3 communicate. Board counsels had already communicated
4 about late payments and clear expectation of staff. So
5 I didn't feel it was my place to follow up on them.
6 They knew what was expected of them. They knew what was
7 in the agreement. And, you know, if I notified every
8 single licensee every time they did something wrong, I
9 wouldn't get any work done.

10 Q. Mr. Ingram, if you would turn to Exhibit 12.
11 Is this the violation that you were referring to?

12 A. Yes, it is.

13 Q. And if you would look at page 180 and 181.
14 When did the communication begin regarding this
15 violation?

16 A. The communication began on May 9th, 2016.

17 Q. And the check was postmarked?

18 A. On the 12th.

19 Q. Were there any other obligations that ESI
20 failed to meet?

21 A. They failed to make a timely payment in June.

22 Q. Would you please turn to Exhibit 9. That would
23 be PILB number 162. Is this a copy of the check that
24 you received?

25 A. Yes, it is.

1 Q. And when did you receive it?

2 A. On the next page, on 163, is -- actually,
3 that's a copy of the registered part of the check folded
4 in the envelope. So you can see that it was received on
5 June 23rd, 2016.

6 Q. When was it due?

7 A. On the 9th.

8 Q. And when was the check cut?

9 A. The check was cut on June 17th.

10 Q. And it was postmarked when?

11 A. It was postmarked on June 20th, 2016.

12 Q. And who did you receive the check from?

13 A. The envelope states Events Services, Inc.

14 Q. And that's on page 164 of Exhibit 9?

15 A. Correct.

16 Q. Did you have any communication with ESI
17 regarding the payment after you received it?

18 A. At one time, I did send notice to ESI, Amanda
19 Hegdahl, letting her know that the checks were still
20 being sent to the wrong suite. I believe, it was during
21 that time frame.

22 Q. And, Mr. Ingram, if you would please turn to
23 Exhibit M. In the other book.

24 A. Thank you. Okay.

25 Q. Can you please explain what this communication

1 is?

2 A. Well, originally, it was communication from
3 myself to Amanda Hegdahl. And it doesn't have the rest
4 of that. Her response was "Perfect. Thank you for the
5 quick follow-up," from Amanda on June 22nd. And then,
6 on June 23rd the next day, I contacted her, Amanda
7 Hegdahl. I said "Can you please make sure that the
8 monthly checks from ESI are sent to Suite 203. Our old
9 suite number is still being used. Thank you." And she
10 wrote back "Will do." And I replied "Thank you."

11 MS. PALMER: Mr. Campbell, I didn't realize
12 that you didn't have the complete communication there.

13 MR. CAMPBELL: I'm just making a note to
14 myself.

15 MS. PALMER: And me at this time.

16 MR. CAMPBELL: Yeah, I'm just making a note to
17 myself. I noticed that, too, as I was going through the
18 email. I will try to supplement that when I get back to
19 my office to make sure that we have it.

20 MS. PALMER: Well, we actually have it as our
21 Exhibit 164.3.

22 MR. CAMPBELL: Okay.

23 MS. PALMER: So if I can, I'd like to add that
24 to the record at this time.

25 MR. CAMPBELL: Do you have a copy of it so I

1 can take a quick look at it?

2 MS. PALMER: I believe that Ms. Klemme or Jason
3 may have it up there.

4 MS. BRADLEY: They're looking.

5 MR. CAMPBELL: Is it in this book, Mary? It's
6 not in this book?

7 MS. BRADLEY: I don't think so.

8 MR. CAMPBELL: You handed me this.

9 MS. BRADLEY: That's the book we have, and I
10 don't think it is.

11 MR. INGRAM: Mary, is that one that you might
12 be holding?

13 MS. KLEMME: I'm looking.

14 MS. BRADLEY: She's looking right now. I don't
15 know if we want to take a five-minute comfort break
16 while she looks for that?

17 BOARD CHAIRMAN ZANE: Sure. Please.

18 MR. CAMPBELL: We're off the record?

19 THE REPORTER: We are off the record.

20 * * * * *

21 (A break was taken, 2:41 p.m. to 3:13 p.m.)

22 * * * * *

23 BOARD CHAIRMAN ZANE: Okay. Are we ready in
24 the north?

25 MR. CAMPBELL: We're ready.

1 BOARD CHAIRMAN ZANE: Can we pick up where we
2 left off, please?

3 MS. PALMER: Yes.

4 BOARD CHAIRMAN ZANE: Ms. Palmer.

5 BOARD MEMBER COLBERT: Yes.

6 MS. PALMER: I have no idea where I was.

7 MR. INGRAM: You were asking if he would accept
8 the exhibits.

9 MS. PALMER: Mr. Campbell, have you had an
10 opportunity to review the document?

11 MR. CAMPBELL: Yeah. So this is a full -- for
12 the record, this appears to be a full set of Exhibit M,
13 which I marked. And, again, I apologize for whatever
14 happened in not getting the full set in. But, yes, this
15 is a full set of M. So, for the record, I will
16 supplement M and get copies for the record.

17 MS. PALMER: Okay. If the Board wants to see
18 it, there's just the one page. But, I think,
19 Mr. Ingram's going to testify to it. So if it anybody
20 wants to see it, can we pass it around for them to see
21 it after we've taken testimony on it?

22 MS. BRADLEY: Yes. Luckily, we have one Board
23 member and one copy, so.

24 BOARD MEMBER COLBERT: Makes it easy.

25 MS. PALMER: We had just been talking about --

1 we were on Exhibit 9, right?

2 MR. CAMPBELL: This is Exhibit M.

3 MS. BRADLEY: This is M. I think, you had gone
4 to Exhibit M, if I remember right.

5 MS. PALMER: But my exhibit, I was talking
6 about Exhibit 9 immediately before that and then went to
7 M, right?

8 MS. BRADLEY: Yes, I think so. Because I had
9 9, I had it opened to 9, and I have M. Yes.

10 MS. PALMER: Okay. And, I think, my last
11 question was whether or not Mr. Ingram had had any
12 communication with ESI regarding the payment after he'd
13 received it.

14 THE WITNESS: Yes.

15 MS. BRADLEY: That sounds right.

16 BY MS. PALMER:

17 Q. And what was the nature of that communication?

18 A. It was to let Ms. Hegdahl know that they were
19 still sending it to the wrong suite number, and for them
20 to change the suit number when they mail the checks.

21 Q. And was that the reason that the payment was
22 late?

23 A. No. It was --

24 Q. And how do you know that?

25 A. It was postmarked after the date it was due.

1 Q. And it was -- when was it postmarked, again? I
2 think, it's page 164.

3 A. Oh, yes. The check was actually cut on
4 June 17th. It was received on June 23rd, postmarked
5 June 20th.

6 Q. So it look three days for the check to be
7 delivered from the date of postmark?

8 A. Correct.

9 Q. And were there, was there another pending
10 communication in the same time frame with ESI,
11 specifically Ms. Hegdahl?

12 A. She had asked me a question for clarification
13 in that same Exhibit M. Do you want me to read that
14 into the record, or?

15 Q. Or just explain it.

16 A. She knew that there was an incident that they
17 came across, and one of their employees was audited
18 by -- excuse me -- our investigator, Jason Woodruff, in
19 the north. And she showed her provisional and a picture
20 of her school ID. And he had told her that that was
21 unacceptable. And so she was writing to me for
22 clarification on that. And I told her, no, that that is
23 an acceptable picture ID under the I-9 form, and,
24 therefore, as long as she had her school picture ID and
25 her provisional, that that met the requirements.

1 And I had a conversation with Mr. Woodruff
2 shortly after to explain to him how we view the I-9 and
3 what picture IDs are, are acceptable along with the
4 provisional. And, again, it's just not something that
5 he had been appropriately trained on. We had tried to
6 train him on everything that might happen. And then
7 something's going to pop up that we didn't think would
8 ever pop up. So he's clear on that now.

9 Q. And, Mr. Ingram, when is Ms. Hegdahl's initial
10 communication to you?

11 A. June 22nd, 2016 at 12:39 p.m.

12 Q. And do you recall what the date was when
13 Ms. Irizarry issued, or responded to the email related
14 to the unregistered employees?

15 A. Are you talking about the email that was
16 delayed based on her medical leave?

17 Q. Yes.

18 A. I believe, it was June 30th. It was, it was in
19 June after she replied. I think, it was June 30th, if I
20 remember correctly. But I'm not 100 percent sure.

21 Q. Sure. And the record's included. So anybody
22 can check that.

23 So do you know, though, whether or not the
24 answer to Ms. Hegdahl's inquiry about whether or not the
25 signature block should be changed or whether or not they

1 should get the two employees, Mr. Magri and Ms. Haslip,
2 registered was still pending; had they received a
3 communication at this point in time on June 22nd, 2016,
4 or was it still pending?

5 A. Again, with me being uncertain when
6 Ms. Irizarry and I spoke about it, looking at this, I
7 would assume it was probably after she returned from her
8 medical leave that we spoke about it. Because,
9 otherwise, Ms. Hegdahl would have asked for
10 clarification from me, probably would have said, "Hey,
11 what about my email, like, why don't you answer that
12 question"? at the same time. As I recall, actually, the
13 same day, she said thanks for replying so quickly.

14 Q. So if, in fact, it was still outstanding, as
15 you've testified, that you would have expected her to
16 communicate regarding the two employees?

17 A. Again, I don't, I don't think I was aware of it
18 at this time. So if, if she wanted, after she saw that,
19 she could ask me to send an email.

20 Q. No, what I'm asking -- and I'm sorry I'm asking
21 you a bad question. But if -- there was testimony that
22 there was a six-week delay from when Ms. Hegdahl asked
23 the question and Ms. Irizarry responded.

24 A. Okay.

25 Q. So my question to you is, on June 22nd, do you

1 know whether or not Ms. Irizarry had responded to
2 Ms. Hegdahl yet on her inquiry?

3 A. I do not. I do not know.

4 Q. And if it was still pending, would it surprise
5 you that there is nothing in this email communication
6 letting you know that there's an outstanding issue?

7 A. Well, I would have thought that if there was an
8 outstanding issue that had not been addressed, that it
9 probably would have been addressed in the same email.
10 Because she wrote specifically to me, asking me for my
11 opinion and how it resulted. And I replied thanks for
12 the question. So if there's something outstanding she
13 could have asked me, then, yes.

14 Q. Okay. Were there any other obligations that
15 ESI failed to meet?

16 A. Let's see. We're in June. So they were late
17 on their July payment as well.

18 Q. And if you would turn to Exhibit 10, page 166.

19 A. Okay.

20 Q. Is this a copy of the check that you received
21 from ESI Security?

22 A. Yes, it is.

23 Q. When was it due?

24 A. It was due on July 9th.

25 Q. When is it dated?

1 A. It's dated July 15th.

2 Q. When is it postmarked?

3 A. Postmarked July 18th on the next page, on 167.

4 Q. And when did you receive it?

5 A. It was received on July 22nd.

6 Q. And who did you receive the check from?

7 A. Events Services, Inc.

8 Q. And where is that located?

9 A. On the envelope.

10 Q. Which is?

11 A. On Bates stamp 167.

12 Q. Was the address corrected?

13 A. Yes, it was. The check is actually from ESI
14 Security Services. The envelope is from Events
15 Services.

16 Q. And, Mr. Ingram, I'd like to try and refresh
17 your recollection on that date. If you'd turn to
18 Exhibit 12.

19 A. Yes.

20 Q. On page 177.

21 A. Yes.

22 MR. CAMPBELL: Just one moment, counsel.

23 Probably, just so we have a clear record, since we are
24 cross-referencing exhibits, we probably ought to call
25 that C-12, just so we have a clear record.

1 MS. BRADLEY: Yes.

2 MS. PALMER: You're correct, counsel. And I
3 realize I did that. And, hopefully, for the record,
4 everybody will know that we're not using any of the
5 other exhibits. So I do mean C-12.

6 BY MS. PALMER:

7 Q. Okay. So when was this communication,
8 Mr. Ingram?

9 A. Are you talking about the bottom?

10 Q. On page 177.

11 A. On 177?

12 Q. Yes.

13 A. It's a communication from Amanda Hegdahl to
14 Lori Irizarry on June 24th, 2016 at 4:52 p.m.

15 Q. And the question that she had posed to you on
16 that Exhibit M document, what was the date on that?

17 A. It was June 22nd, 2016.

18 Q. And her initial inquiry came when? I'm sorry.
19 This is not good, and I apologize. It's just getting
20 late in the day. If you refer to page 178.

21 A. Uh-huh (affirmative).

22 Q. I believe, the testimony on the time concern
23 was the dates between May 10th, 2016 and June 24th,
24 2016. Is that your recollection, Mr. Ingram?

25 A. Yes.

1 Q. And she posed --

2 A. I am so sorry (coughing). Go ahead.

3 Q. She posed her question to you in Exhibit M on
4 June 22nd, 2016?

5 A. That's correct.

6 Q. And at that time, she did not follow up with
7 you regarding the fact that she was still waiting for a
8 response from Ms. Irizarry?

9 A. That's correct.

10 Q. And when was the first time that you were
11 included in this Exhibit C-12 communication string?

12 A. That would have been on Friday, June 24th.

13 Q. Of what year?

14 A. Of 2016.

15 Q. So do you know whether or not you had spoken to
16 Ms. Irizarry about this particular concern as of June
17 22nd?

18 A. Based on this email from Hegdahl, and based on
19 this email thread, I would say that I had not spoken to
20 Ms. Irizarry prior to this email on June 24th.

21 Q. So did your office have any communications with
22 ESI between the late payment in June and the late
23 payment in July?

24 A. No, I did not.

25 Q. Why not?

1 A. Well, this is our busiest time of the year.
2 They were actually, all of our staff, myself included,
3 were working on the Daisy Carnival, which is after
4 hours, weekends. So we're actually out of the office
5 and doing compliance checks on the security companies
6 that are working that event. It's a very busy time of
7 the year. And as I had stated before, Mr. Hendi is one
8 of thousands of licensees that we have, and we conduct
9 on-site audits for other licensees as well.

10 Q. Were there any other late payments after the
11 July payment?

12 A. No.

13 Q. So the August payment was made on time?

14 A. The August payment was made on time, and they
15 paid the full balance due of \$15,000 and some change.

16 Q. Would you turn to Exhibit 11, please. Is this
17 a copy of the check that you received?

18 A. Yes, it is.

19 Q. Were you surprised when it was paid timely?

20 A. I was surprised it was paid timely, and I was
21 surprised that it was in full. Well, let me restate
22 that. I was surprised it was paid, that it was paid
23 early.

24 Thank you (for water).

25 And I wasn't surprised that the full amount was

1 paid.

2 Q. Why?

3 A. Because, in the past, when Mr. Hendi has been
4 noticed that he's going to be brought before the Board
5 for possible disciplinary action, specifically,
6 specifically revocation of license, he has gone to the
7 other entities that he's owed money to, and paid them
8 off in full.

9 Q. And when was the notice of violation issued
10 regarding C.A. Magri and Ms. Haslip, if you know?

11 A. I believe, that was June 29th.

12 Q. Did you know when that violation was appealed?

13 A. No, I don't, without referencing something.

14 Q. Do you know when ESI Security or its counsel
15 became aware that there was going to be a complaint
16 issued seeking revocation of the license?

17 A. No, I don't know that. I'm sorry.

18 Q. If you turn to exhibit page number 72.

19 MR. CAMPBELL: What was that, counsel, again?

20 MS. PALMER: 72 of Exhibit C-2.

21 MR. CAMPBELL: C-2. Thank you.

22 MS. BRADLEY: Wait. C-12, I think, she meant.

23 MR. CAMPBELL: Which one?

24 MS. BRADLEY: Is it C-12 or C-2?

25 MS. PALMER: I'm so sorry. It's C-2, 72.

1 MS. BRADLEY: Okay. I thought it was 172.

2 Okay.

3 BY MS. PALMER:

4 Q. Do you know what this document is?

5 A. Yes, I do. It's an email from ESI's attorney
6 at that time, J. Robert Smith, to Debra K. Turman. It's
7 an automatic reply.

8 Q. And why would there be -- and, first of all, do
9 you know who Debra Turman is?

10 A. She's a legal assistant in the Attorney
11 General's Office, in the Las Vegas office.

12 Q. And why would she be sending this document to
13 Mr. Smith?

14 A. It says it's the ESI Security Services
15 complaint. This is the subject line.

16 Q. And if you would turn to page 70. And do you
17 know what this document is?

18 A. This is an email sent from Debra Turman to
19 Mr. Campbell, ESI's new attorney, with Raelene Palmer,
20 Deputy Attorney General copied. The subject line is
21 Events Services, Inc., notice of hearing; ESI Security
22 Services complaint and notice of hearing, with
23 attachments.

24 Q. So how did, if you know, the Board become aware
25 that there was new counsel on the case?

1 A. On the first reference on page 72, Bates stamp
2 72, the reply came back from Mr. Smith, and it said "I
3 am sorry, I am out of the office on a sabbatical until
4 September 1st and will not be able to check email during
5 this time. If you need assistance or have any questions
6 regarding your matter, please contact my legal
7 assistant, Gaylene Silva." And, I believe, Gaylene
8 Silva was contacted.

9 Q. But this is, this is a document from the
10 Attorney General's Office, correct?

11 A. Correct.

12 Q. How did the Private Investigator's Licensing
13 Board become aware? And, you know what, it'll help if
14 you turn to page 175.

15 A. 175 under which exhibit?

16 Q. Exhibit 12.

17 A. C-12?

18 Q. C-12. C-12.

19 A. And I'm sorry, 175?

20 Q. Yes.

21 A. Okay.

22 Q. Is this the same automatic reply? Response.
23 Response?

24 A. Yes, it is, sent to Lori Irizarry in our
25 office.

1 Q. And do you know what was being sent at that
2 time?

3 A. The notice of violation.

4 Q. What's the date that that was sent?

5 A. June 29th, 2016.

6 Q. So sometime before June 29th and August the
7 2nd, when the complaint was actually sent, had there
8 been communication with ESI Security's new counsel
9 regarding the fact that there had been a notice of
10 violation, and a complaint would be forthcoming?

11 A. I don't believe, I don't believe we knew we had
12 new counsel at that time, that he had new counsel at
13 that time.

14 Q. Do you know how you would know where to send a
15 complaint?

16 A. We'd send a complaint where the stipulated
17 agreement told to us send a complaint.

18 Q. And, Mr. Ingram, if you'd turn back to that
19 exhibit, page 72 of C-2, Exhibit C-2. And I apologize.
20 Not 72. 71. Who is this being sent to?

21 A. This is being sent to Mr. Richard Campbell.

22 Q. If you don't know, that's fine, just say that
23 you don't know. Do you have any idea how the Board
24 learned that Mr. Campbell was ESI Security's new
25 counsel?

1 A. I don't recall. I can't answer that.

2 MS. PALMER: Okay. I have nothing further.

3 BOARD CHAIRMAN ZANE: Mr. Campbell.

4

5

CROSS-EXAMINATION

6 BY MR. CAMPBELL:

7 Q. Mr. Ingram, are you okay to continue? Because
8 we can't hear you very well. Your voice -- it's getting
9 harder and harder as we go.

10 A. Yes. I'll try to talk louder, yes. I get
11 progressively worse throughout the day. I'll try my
12 best.

13 Q. Can you put Exhibit Number -- I believe, it's
14 Exhibit Number 1, which is the complaint in this matter.
15 That would be Exhibit Number C-1.

16 A. Okay.

17 Q. So when did the discussion -- or was there a
18 discussion with anybody other than yourself about
19 initiating this complaint?

20 A. Well, it would have been discussion with
21 myself --

22 MS. PALMER: Counsel, objection. Could you
23 refer to a specific page? Because, I think, there's a
24 few complaints in Exhibit 1.

25 MR. CAMPBELL: The complaint in this matter.

1 Let me make sure I'm on the right page here.

2 MS. BRADLEY: It's on two.

3 MS. PALMER: It would be Exhibit 2, if that's
4 the complaint, I mean page two was Exhibit C-1.

5 BY MR. CAMPBELL:

6 Q. Yes, that. It's the first complaint in this
7 Exhibit C-1.

8 A. I would have had communication with legal
9 counsel at that time, Raelene Palmer.

10 Q. And without disclosing the contents of that
11 communication, when did that, when did those discussions
12 start?

13 A. Well, actually, discussions started right
14 after the first payment was late.

15 Q. So as early as April of 2016, you had
16 discussions with Ms. Palmer about potentially filing a
17 complaint against Mr. Hendi, or ESI Security?

18 A. Yes, we notified Mr. Smith of the breach in the
19 stipulation agreement.

20 Q. Okay. But I know you said it was a breach of
21 in the stipulation. But at that same time or about that
22 same time, you just started discussing with counsel
23 about actually filing a complaint?

24 A. We started discussing it, and we chose not to.

25 Q. Okay. And at that time, did you consider the

1 April payment as being a late payment and a violation of
2 the stipulation?

3 A. Yes.

4 Q. Okay. And then, I think, your testimony was
5 that at that time, in April of 2016, you decided not to
6 file it. Did you have subsequent discussions about the
7 complaint itself with legal counsel?

8 A. I've had several conversations over that period
9 of time.

10 Q. Okay. But when was --

11 A. Multiple.

12 Q. When was the next discussion you had with legal
13 counsel about filing a complaint related to these late
14 payments?

15 A. That would have been the following month, when
16 it was late again.

17 Q. So in May, you had discussions with legal
18 counsel, and were those -- without disclosing those
19 discussions, were you again considering the May payment
20 as late and, therefore, in violation of the stipulation?

21 A. No, we considered it late. We just felt that,
22 again, out of a good-faith effort, to try to establish
23 the actual due dates, which we did through his attorney.

24 Q. Okay. In May, you tried to establish the
25 actual due dates with his attorney?

1 A. Yes, because May was the first late payment.

2 Q. Okay. What --

3 A. Well, actually, it was the second late payment.
4 Because he had made his payment for attorney fees late
5 as well.

6 Q. When in May did you reach out to ESI Security's
7 counsel to discuss that the May payment was late?

8 A. I did not.

9 Q. Okay. So your previous testimony, you said,
10 "We told ESI Security counsel that the payment was
11 late." Are you referring to the email string that was
12 marked as Exhibit 6, I believe, Exhibit C-6?

13 A. Yes, that's what I'm referring to.

14 Q. Okay. So just so the record's clear, there was
15 no subsequent reaching out to ESI Security's counsel in
16 the May time frame, after you received the May payment,
17 which you considered late?

18 A. That's correct.

19 Q. Okay. And then, at that time, did you discuss
20 filing a complaint after the May payment was considered
21 late?

22 A. I notified legal counsel that we had not
23 received the payment timely.

24 Q. Did you have any further discussions, though,
25 about initiating a complaint in May of 2016?

1 A. With legal counsel?

2 Q. Yes.

3 A. We spoke again about here's another breach,
4 yes.

5 Q. Okay. But did you have discussions about then
6 initiating a complaint?

7 A. There was always discussion of initiating a
8 complaint on every late payment.

9 Q. Okay. And so in June, your testimony was
10 that -- on direct, was that again the payment was late,
11 correct?

12 A. Correct.

13 Q. Did you discuss, did you tell your legal
14 counsel in June that the payment again was late?

15 A. Yes, I did.

16 Q. And then did you have discussions at that point
17 in June about potentially filing a complaint?

18 A. On every occurrence that I spoke with legal
19 counsel about late payments, we had that discussion.

20 Q. Okay. And in June, did you have your counsel
21 reach out to ESI Security's counsel to discuss there's
22 now another late payment, and that's a breach of the
23 stipulation?

24 A. I don't direct counsel to do anything.

25 Q. Okay. Did you reach out to anybody, to tell

1 anybody at ESI Security that the payment was late?

2 A. No, I don't believe that's my position to have
3 to tell people when they're late. It was clearly
4 identified in the stipulation agreement.

5 Q. Yes, I don't care if it's your position or not.
6 What I asked you was did you reach out to anyone at ESI
7 Security and tell them that the payment was late?

8 A. No, I did not.

9 Q. And you did not tell your counsel to initiate
10 contact with ESI Security's lawyer, telling them again
11 the payment was late?

12 MS. PALMER: Counsel, I'm going to object.
13 I've allowed you to go about as far as you should as far
14 as eroding into the attorney-client privilege. You've
15 asked him what he asked me, what he told me. These are
16 all things that would be protected by the
17 attorney-client privilege. And I think that you've made
18 your point. So I'm going to object at this point.

19 MR. CAMPBELL: Well, I've been very careful not
20 to ask and get into the -- I don't think the fact that
21 there is a communication is privileged. I think, the
22 contents of the communication is privileged. And I've
23 cautioned him a couple times not to tell me about the
24 contents of those communications. I just wanted to find
25 the --

1 MS. PALMER: And I'm --

2 MR. CAMPBELL: -- the sequence of the notice
3 provisions in here to ESI Security that there were late
4 payments being submitted.

5 MS. PALMER: And I'll just add for the record
6 that the contents of the communications go both ways.
7 You've been very careful to instruct him as to what I
8 didn't say or as to what I said. But you've elicited
9 quite a bit of testimony about what he said, what he
10 asked me, and that is also privileged communications.

11 MR. CAMPBELL: Well, I assume, if he starts
12 talking about that, you can object. I haven't heard any
13 objections yet. So.

14 MS. PALMER: Right. That's why I'm objecting
15 now.

16 MR. CAMPBELL: Okay. Well, let me move on,
17 then.

18 BY MR. CAMPBELL:

19 Q. In July of 2016, your testimony on direct was
20 that the payment was again late, right?

21 A. Correct.

22 Q. Is that when you started your discussions,
23 internal discussions about filing a complaint?

24 MS. PALMER: Objection. Vague, internal
25 discussions.

1 BY MR. CAMPBELL:

2 Q. Well, anybody in your staff, or your counsel,
3 as long as it's not getting into the communication, did
4 you start discussing let's file a complaint now that the
5 July payment's late?

6 MS. PALMER: Objection as to his discussions
7 with counsel.

8 MR. CAMPBELL: I didn't ask him for the
9 details. I said "did you."

10 MS. BRADLEY: So, Mr. Chair, there's been an
11 objection to the question. I don't know if the
12 vagueness was rectified by saying people on your staff.
13 That's certainly not privileged, attorney-client
14 privileged.

15 MS. PALMER: And I'm not objecting to that,
16 Ms. Bradley.

17 MS. BRADLEY: Okay.

18 MS. PALMER: That question's fine.

19 MS. BRADLEY: Okay.

20 MS. PALMER: My objection is specifically to
21 the timing of and what it is that he may have asked me.
22 And he hasn't asked what I may have communicated to him.
23 So, obviously, I'm not objecting to that.

24 MS. BRADLEY: Okay. So the question originally
25 posed was, is that when you started discussing with your

1 staff about filing a complaint. And then, I think, it
2 was amended to say or your counsel.

3 She's objecting to that portion. Mr. Chair, I
4 think we need a ruling from you.

5 BOARD CHAIRMAN ZANE: Well, I'm sustaining the
6 objection as it applies to the conversations with
7 counsel. And I'll overrule the objection as it applies
8 to the question regarding staff.

9 MS. PALMER: There was no objection as to the
10 question regarding staff.

11 MS. BRADLEY: Yeah, she --

12 BOARD CHAIRMAN ZANE: Okay.

13 MS. BRADLEY: Initially, it was vague. And
14 then he changed that. And then she didn't object
15 anymore. So, I think, that's the question that stands,
16 again.

17 MR. CAMPBELL: Let me start back over.

18 BY MR. CAMPBELL:

19 Q. So did you have any discussions with your
20 staff, excluding your counsel, in July of 2016 about
21 let's start this complaint down the road?

22 A. No, absolutely not.

23 Q. Okay. Are you the one that decided, made the
24 ultimate decision to file the complaint?

25 A. Along with counsel, yes.

1 Q. So counsel was in on that decision-making
2 process?

3 MS. PALMER: Objection. Same objection.

4 MR. CAMPBELL: I don't think that calls for any
5 privileged communications.

6 THE WITNESS: Any time I make a decision of
7 this magnitude, I involve legal counsel.

8 BY MR. CAMPBELL:

9 Q. Okay. That's fair. In July of 2016, did you
10 contact anyone at ESI Security and tell them that the
11 July payment was now late and that this was a breach of
12 the stipulation?

13 A. I did not.

14 Q. Okay. Let's go back in time to the day that
15 the stipulation was discussed, which, I believe, was
16 March 3rd of 2016.

17 A. Do you have an exhibit you want me to
18 reference, or?

19 Q. Well, it'll ultimately be the transcript of the
20 hearing, which, I believe, is Exhibit C-4.

21 A. Okay. I'm there.

22 Q. So you were at that hearing and were there
23 listening to the comments made by various parties, their
24 counsel, et cetera?

25 A. Yes, sir.

1 Q. Okay. And so you were at page 115, you heard
2 that, the whole -- the intent, the idea was to be giving
3 ESI Security a fresh start, from the time that the order
4 was filed, to comply with all the rules and regulations?

5 A. Yes.

6 Q. Okay. And you also heard, on the next page, at
7 page 116, that, in addition, Mr. Hendi's counsel, as
8 well as Board counsel, have agreed that they will
9 communicate and discuss any issues that might arise and
10 to obtain clarification or opinion on matters within the
11 scope of the agreement, right?

12 A. Yes.

13 Q. And is your testimony today that the -- you
14 complied with this representation, with the exchange
15 between your legal counsel and Mr. Smith, the one time
16 in April that's exhibited in Exhibit Number 6?

17 A. Yes.

18 Q. Okay. Can you look at Exhibit Number -- I
19 believe, it's -- it'll be C-E?

20 A. Oh, in the other book.

21 I'm there, sir.

22 Q. So this appears to be an email string that
23 started back in March 21st of 2016 and then proceeds
24 forward to the last email of March 24th, 2016, right?

25 A. Just one second. I see a March 21st and a

1 March 22nd. I don't see a March 24th, sir.

2 Q. If you look at the -- okay. Let's look at the
3 very last page of the exhibit, which is the March 21st
4 email. Do you see that, from Mary Klemme to you?

5 A. The one dated March 22nd at 11:30 a.m.?

6 Q. No, there should be one on the very back page
7 that says March 21st?

8 A. There's two pages in that exhibit, sir.

9 MS. BRADLEY: Exhibit E, C-E, we have --

10 THE WITNESS: Oh, I'm sorry. I'm sorry. It's
11 at the bottom of that page, yes. The header is showing
12 at the very bottom, Mary Klemme, Monday, March 21st,
13 2016 at 11:17 a.m.?

14 BY MR. CAMPBELL:

15 Q. Yes.

16 A. Okay. I'm sorry. That header's on the bottom
17 of the first page. Okay.

18 Q. Okay. And so it looks like Mary Klemme is
19 telling you that we just received a couple of items by
20 UPS. It looks like -- I don't know what she'd mean: I
21 will receipt the \$6,587 payment and enter it in our
22 check as revenue. The first fine amount has been paid
23 early. The deadline was 4-11 for the first fine
24 payment. Do you see that?

25 A. Yes, I do.

1 Q. Okay. What is she talking about there?

2 A. Well, we received, as I testified earlier, we
3 had received the first half of the citation and fine
4 payment early. That was the \$6,587.50. She was making
5 sure that she was putting it into our financial record
6 database appropriately under the correct revenue log
7 number.

8 Q. Okay. And then if you go on to the continuing
9 email, it looks like that's -- you all were discussing
10 the next day, on March 22nd, and then March 23rd, kind
11 of how to account for the money in your system?

12 A. That's correct. There were several outstanding
13 violations. So she was asking for clarification how I
14 wanted her to apply that bulk amount and break it down
15 for the different violations that he was responsible for
16 paying on the stipulated agreement. So she was just
17 asking for clarification on how much money was to go to
18 each violation. We have a tracker that shows
19 outstanding violations and how much is due and that kind
20 of thing.

21 Q. Okay. Let's move to -- let me get my exhibit
22 right here.

23 It would be, I think, it's as stipulation,
24 which, I believe, is contained in Exhibit C-3, starting
25 at page 78.

1 A. Okay.

2 Q. Okay. If you could look to page 88.

3 A. Okay.

4 Q. Now, is this the paragraph that dictates the
5 period of payment for the -- I hope I pronounce this
6 right. Zsenyuk, Mr. John Zsenyuk?

7 A. You're referencing paragraph six, sir?

8 Q. Yes.

9 A. Yeah, that's the one that references that
10 Mr. Zsenyuk be paid the \$5,145.70.

11 Q. Okay. And this email says that he paid this,
12 if you look at Exhibit E, that March 21st, that that
13 check was resent, or that check was sent early?

14 A. That's correct.

15 Q. Okay. And that would -- I'm a little confused.
16 Because if you look at paragraph number eight, also, in
17 that stipulation.

18 A. Okay.

19 Q. So is the \$6,587 payment, that is the payment
20 one-half of the \$13,175 payment, that was also
21 received --

22 A. That's correct.

23 Q. That was also received by Ms. Klemme on the
24 date of her email, March 21, 2016?

25 A. Yes, that was also received early.

1 Q. Okay. And that payment provision says that the
2 payment must be paid within 30 days of the date of the
3 PILB order approving the agreement, right?

4 A. That's correct.

5 Q. So that's an easy calculation, right? We can
6 take a calendar and pull it out and say March 10th is
7 the effective date, right? Or not -- March 8 is the
8 date of the order approving the agreement, right?

9 A. The order was March 10th, correct.

10 Q. So we could take a calendar out and, looking at
11 this agreement, we could say, or this stipulation, we
12 could say 30 days from the date of March 10th is when
13 that order, when that payment was due?

14 A. Correct.

15 Q. Let's go to the complaint, which is -- these
16 are the same exhibits. We're going to have a little
17 flipping back and forth, but we will get through it.
18 I'm sorry. It's a different complaint.

19 MS. BRADLEY: The instant one is page two of
20 Exhibit 1.

21 MR. CAMPBELL: Yes.

22 MS. BRADLEY: Okay.

23 BY MR. CAMPBELL:

24 Q. Okay. Go back to Exhibit 1. And maybe kind of
25 stick your pencil in there at Exhibit 3 there on that,

1 kind of the 88, 89, 90 section where the payment
2 provisions are set forth. Are you with me?

3 A. Yes, uh-huh (affirmative).

4 Q. Okay. And, again, just for the record, I
5 think, I may have asked you this. Mr. Ingram, you
6 reviewed this complaint before it was filed?

7 A. Yes, sir.

8 Q. Okay. And if you go to the first claim for
9 relief, it says: By failing to -- by timely failing to
10 pay the costs and attorney's fees in the amount of
11 \$15,000 on or before April 9th, 2016, or the first
12 business day after, Monday, April 11th, respondents
13 breached paragraph seven by the stipulation of the
14 settlement agreement?

15 A. I'm sorry. On Bates stamp 2?

16 Q. This is Exhibit Number 1.

17 A. One.

18 Q. Bates stamp number 5.

19 A. Okay. I'm sorry. On page 5. Okay. Go ahead.

20 Q. Can you look at that first claim for relief
21 that I just read?

22 A. Okay.

23 Q. Okay. And your complaint that you reviewed
24 says that the payment was due on or before April 9th, or
25 the first business day after, April 11th, and,

1 therefore, you've breached paragraph seven of the
2 stipulation agreement?

3 A. Okay.

4 Q. Can you look at paragraph number seven of the
5 stipulation agreement?

6 A. Paragraph seven of the stipulation agreement.
7 Okay. Where's the stipulated agreement?

8 Okay.

9 Q. Got that? Okay. Can you read into the record
10 at paragraph seven when that one-half of the \$30,000,
11 which would be the \$15,000 payment, was due?

12 A. Paragraph seven states: Pursuant to NRS
13 622.400, ESI shall reimburse the PILB for its costs and
14 attorney's fees associated with this disciplinary action
15 in the amount not to exceed \$30,000, one-half of which
16 shall -- (coughing) excuse me -- one-half of which shall
17 be due and payable within 30 days from the effective
18 date of the PILB's order approving this agreement.

19 Do you want me to continue?

20 Q. That's fine. So do you see the term "effective
21 date" in there? Do you see that?

22 A. On line 26?

23 Q. Yeah, "effective date."

24 A. Okay.

25 Q. Go over to paragraph number eight on the next

1 page.

2 A. Okay.

3 Q. I'll read this, since you're having trouble
4 with your voice. It says that fine must be paid within
5 30 days from the date of the PILB order approving this
6 agreement, right?

7 A. Okay.

8 Q. So seven and eight are different payment
9 provisions, aren't they?

10 A. Yes.

11 Q. Okay. Can you tell me anywhere in this
12 agreement where the term "effective date" is defined?

13 A. The actual term "effective date"? I don't know
14 that there is a true definition outlined for "effective
15 date."

16 Q. So it's not defined in the agreement, right?

17 A. I don't know how to answer that. There's no,
18 there's no definition page for the agreement.

19 Q. Okay. And subject to check, would you agree
20 with me that no where in the agreement is "effective
21 date" defined?

22 A. Okay. I agree, that.

23 Q. It appears from your claim in the complaint for
24 claim number -- for the first claim for relief, it
25 appears that you're counting the date of April 9th, or

1 the first business day thereafter, as 30 days from the
2 date of the order, right?

3 A. Correct.

4 Q. It doesn't say anything in the second claim for
5 relief about what the actual stipulation says is
6 "effective date," right?

7 A. I mean not, not separate and apart from what's
8 there, no.

9 Q. Okay. Do you know, for state agencies in
10 Nevada, when a payment made to an agency is considered
11 to be paid?

12 A. Three days after the date of its postmark.

13 Q. Okay. And do you know why that is?

14 A. To allow for the mail carrier to get it to the
15 person of receipt.

16 MS. PALMER: I'm going to object. That calls
17 for a legal conclusion. And, I think, it misstates the
18 actual law.

19 MR. CAMPBELL: I'm just asking him whether he
20 knows from an agency perspective -- he's a head of a
21 staff for a fairly large agency -- if he knows the dates
22 of mailings and receipts of payments, things like that.
23 He's put in his complaint that this payment was due on a
24 date certain. So I'm just inquiring as to --

25 MS. PALMER: Objection.

1 MR. CAMPBELL: -- if he knows those.

2 MS. PALMER: He did not draft the complaint.
3 Objection, counsel. He did not draft the complaint.
4 And the complaint very clearly indicates who drafted the
5 complaint.

6 MR. CAMPBELL: He said he reviewed the
7 complaint before the case.

8 MS. BRADLEY: So --

9 MS. PALMER: He read the complaint.

10 MS. BRADLEY: So, I think, the objection was
11 about whether or not Mr. Campbell can ask Mr. Ingram
12 about the time frame when payments are mailed to state
13 agencies. And then there was an objection based on the
14 fact that that's a legal conclusion. The response was
15 that he's a head of an agency and might have knowledge
16 of that information. And then there was discussion
17 about allegations in the complaint.

18 So I don't know, Mr. Chair. I think, it's up
19 to you.

20 BOARD CHAIRMAN ZANE: Objection sustained.

21 BY MR. CAMPBELL:

22 Q. Well, Mr. Ingram, do you know why the
23 provisions, the provisions between seven, about having
24 the effective date of the PILB order, as opposed to
25 number eight, which says 30 days from the date of the

1 order, were different?

2 A. I didn't draft it, so I really can't speak to
3 that.

4 Q. Okay. Normally, do you know if, on most legal
5 documents that are mailed, there's a three-day mailing
6 period that goes --

7 MS. PALMER: Objection. You're testifying.

8 MR. CAMPBELL: No, I'm asking him if he knows
9 if there's a three-day mailing period for legal, for
10 sending legal notices of such, or such.

11 MS. PALMER: Objection. There's no foundation
12 for that.

13 MR. CAMPBELL: I'm asking --

14 MS. PALMER: Do you have some citation or
15 something?

16 MR. CAMPBELL: I'm asking if he knows.

17 MS. BRADLEY: So the question is whether or not
18 he knows, Mr. Chair.

19 MS. PALMER: You're testifying.

20 MS. BRADLEY: And she's objecting that he's
21 testifying. I mean I think, it's a yes or no question.
22 He either knows or he doesn't know. We're talking
23 about --

24 BOARD CHAIRMAN ZANE: Overruled. Go ahead.

25 THE WITNESS: Yeah, I don't know the legal

1 requirements for mailing.

2 BY MR. CAMPBELL:

3 Q. You do agree with me, though, that the seventh
4 paragraph payment timing and the eighth paragraph
5 payment timing provisions are different, right?

6 MS. PALMER: No. I'm going to object because
7 it calls for a legal interpretation of what the
8 difference is between "date" and "effective date," if
9 there is any at all.

10 MR. CAMPBELL: Well, I'm not asking him if he
11 knows the difference. I'm telling -- I just want him to
12 agree with me that they are different.

13 MS. PALMER: But that is, that's a legal
14 conclusion.

15 MR. CAMPBELL: It's not a legal conclusion.
16 It's whether or not he agrees with me that they are
17 different payment provisions, from a lay perspective,
18 looking at the language there.

19 MS. BRADLEY: So there has been a question and
20 an objection, Mr. Chair. I mean I think that the
21 witness can answer if he thinks that there's a
22 difference, from the knowledge he has. If he doesn't
23 have an opinion or doesn't know, he can answer that way.

24 BOARD CHAIRMAN ZANE: Overruled.

25 MS. BRADLEY: Go ahead. I think --

1 MR. CAMPBELL: The objection's been overruled.

2 MS. BRADLEY: The objection's been overruled.

3 So, Mr. Ingram, I think, you're answering the question.

4 Do you --

5 THE WITNESS: Okay.

6 MS. BRADLEY: Do you -- the question, maybe we
7 can have it read back, because I'm probably going to say
8 it wrong.

9 THE WITNESS: Well, when I'm looking at
10 paragraph seven and eight, and I see where he's talking
11 about, it says one-half, which shall be due and payable
12 within 30 days from the effective date of the PILB's
13 order, and then it says shall be paid within 15 days
14 from the date of the PILB's order, I would read that as
15 one and the same. "Effective date" and "date" I would
16 read as one and the same.

17 BY MR. CAMPBELL:

18 Q. Okay. That's your interpretation, now you're
19 saying, you're saying now your interpretation is that
20 those are one and the same?

21 MS. PALMER: Objection. Argumentative. Asked
22 and answered.

23 MR. CAMPBELL: Well, no, I just wanted to make
24 sure that he --

25 MS. PALMER: And it calls for a legal

1 conclusion.

2 MR. CAMPBELL: Well, he just gave a legal
3 conclusion, if that was his answer. I just want to
4 confirm that now he's testifying, which, I think, I just
5 heard him say that seven and eight payment provisions
6 are identical, one and the same. I just want to
7 confirm --

8 THE WITNESS: I didn't say that. Because
9 they're not the same. They say different things. But
10 my interpretation of them, whether it's an effective
11 date or a date after an order is signed, that that would
12 be the same.

13 BY MR. CAMPBELL:

14 Q. If the payment was to be provided under
15 paragraph seven 30 days from the date of the order,
16 couldn't it have been drafted the same as paragraph
17 eight, which says 30 days from the date of the order?

18 A. I was not involved in the writing of the
19 stipulation agreement.

20 Q. Okay. But couldn't it have been drafted so
21 that it was certain that 30 days meant 30 days, without
22 an undefined term in it?

23 A. I would imagine there would be a million
24 different things that could have happened.

25 Q. Let's go to --

1 MS. PALMER: Counsel, I'm going to object as to
2 relevance.

3 MS. BRADLEY: Objecting to what? The question,
4 what was the question?

5 MR. CAMPBELL: The question that was answered?

6 MS. PALMER: I'm objecting to the line of
7 questioning as to relevance. Is there, is there -- I
8 mean where is he going with this? Is he suggesting that
9 somehow the absence of the word "effective" in the first
10 paragraph changes the date when something is due?

11 MR. CAMPBELL: It couldn't be more relevant
12 than anything in this case, counsel. You are alleging
13 in your complaint, and Mr. Ingram has alleged in his
14 direct testimony today, that payments were due on a date
15 certain. I'm going through this exhibit with him where
16 there are different provisions on when payments are
17 actually made and whether they were, in fact, late.

18 So I don't think this could be more relevant to
19 this case to figure out when, under this stipulation,
20 these payments were actually due.

21 MS. PALMER: Counsel, I'm going to respond that
22 there's already been testimony that that information was
23 satisfied on page 144 of Exhibit 4, where Mr. Hendi and
24 his counsel were both present, and Ms. Bradley explained
25 that the date that the Chairman signed the order would

1 start the time for things being due.

2 MR. CAMPBELL: Yeah, start the time. But we're
3 talking about finishing the time, when the clock, when
4 the clock runs out.

5 MS. BRADLEY: So, Mr. Chair, there's been an
6 objection regarding relevancy. The complaint does
7 allege whether or not payments were timely. So, I
8 think, in defending his client, I think, it is relevant
9 for Mr. Campbell to present evidence or ask questions
10 about how those dates were calculated, because that's
11 going to help the Board determine, you know, whether or
12 not the payments were timely.

13 BOARD CHAIRMAN ZANE: Thank you.

14 Objection overruled.

15 BY MR. CAMPBELL: Do you need the question read
16 back, Mr. Ingram?

17 THE WITNESS: I thought I already answered the
18 question.

19 MS. BRADLEY: Oh, yeah, I think, the
20 question -- the objection was the line of questioning.

21 MR. CAMPBELL: Okay. So it's on the record,
22 then.

23 MS. BRADLEY: So you guys are being picked up
24 on the microphone, just so you know (talking to
25 Las Vegas).

1 BY MR. CAMPBELL:

2 Q. Let's look at the second claim for relief now
3 in the complaint, which is -- I'm sorry. Exhibit C-1,
4 at page Bates 5.

5 A. I'm sorry. Bates stamp what?

6 Q. Five.

7 Now, the claimant now alleges that the monthly
8 installment payments, which is added to kind of a
9 payment consisting of fines, fees, costs and attorney's
10 fees, that was prorated, I guess, over the next year,
11 says that the first monthly payment for fines, costs and
12 attorney's fees of \$1,798.96 was due on or before May
13 9th of 2016.

14 Can you look at paragraph nine of the
15 stipulation, Exhibit 3, page 89?

16 And am I matching them up right, Mr. Ingram,
17 that what we're talking about here is those monthly
18 payments of the fines, costs and attorney's fees are
19 covered in paragraph number nine of the stipulation?

20 A. That's correct.

21 Q. Okay. And then paragraph nine says something
22 different than the complaint, doesn't say it's due on or
23 before May 9th. It says the remaining costs and fees
24 shall be paid in 12 equal monthly installments,
25 beginning 60 days from the effective date of the PILB

1 order approving this agreement. Right?

2 A. Correct.

3 Q. And so now there's a new term in the payment
4 schedule, the term "beginning"; would you agree with me?

5 A. I would agree that, yeah, the word "beginning"
6 is used there.

7 Q. And it doesn't say something like the same
8 thing in paragraph eight, that they are due 60 days from
9 the date the order was approved, right?

10 A. That's correct.

11 Q. And in your testimony, when you said that they
12 were, that that payment was due May 9th, were you
13 counting 60 days from the date of the order, 60 days
14 from some effective date, or 60 days beginning on some
15 date?

16 A. The actual dates that the payments were to be
17 made were provided to me by legal counsel. I did not
18 calculate these dates.

19 Q. Okay. But you testified in direct testimony
20 today that they were late because they were not received
21 on a certain date, right?

22 A. I did.

23 Q. So did you review anything in that before you
24 swore under oath that those were the dates that they
25 were actually due?

1 A. I reviewed the instruction from legal counsel.

2 Q. Do you have a calendar in front of you?

3 A. I do not.

4 Q. Do you have one on your phone?

5 A. I probably do, but to be honest with you, I
6 don't know how to use it.

7 Q. You can't punch a calendar --

8 A. I'm sorry. I'm not very tech savvy when it
9 comes to these phones.

10 MS. PALMER: Counsel, if he promises not to
11 touch my phone, I'll let him look at my calendar.
12 Germs.

13 Counsel, is there a particular month you want
14 him to look at?

15 MR. CAMPBELL: Yeah, let's start in -- let's
16 start in March of 2016.

17 BY MR. CAMPBELL:

18 Q. Okay. Now, the date of the order was -- the
19 order was signed was March 10th, correct, Mr. Ingram?

20 A. That's correct.

21 Q. Let's assume that "effective date" meant adding
22 three days mailing onto the notice. Can you now --

23 MS. PALMER: Objection. Let's assume, let's
24 assume it meant the year 2017. There's no facts in
25 evidence.

1 MR. CAMPBELL: I'm asking him to make --

2 MS. PALMER: That would assume you should add
3 additional days.

4 MR. CAMPBELL: I'm asking him to make an
5 assumption with me and go through a hypothetical.

6 MS. PALMER: Then, I'm going to object as to
7 relevance.

8 MR. CAMPBELL: Because it's clearly relevant
9 that if we've got an undefined term about effective
10 date, what that means, and it changes the time frames
11 because it's an undefined term.

12 MS. PALMER: There has been testimony,
13 Mr. Campbell, as to what the date means. It's very
14 clearly spelled out in the transcript at the time the
15 agreement was accepted by the Board. So you're just
16 going down a rabbit hole and wasting everyone's time.

17 MR. CAMPBELL: No, I'm not wasting everyone's
18 time, counsel. But there's nothing in the hearing that
19 tells us about when the end date for a calendar
20 countdown on this matter ends. The only thing in there
21 is that we will start on the date that the order is
22 signed. We didn't know on March 3rd what that date was
23 going to be, so everybody agreed that March 10th would
24 be the start of the calendar, start of the countdown, so
25 to speak.

1 It doesn't define the end date. And nobody
2 agreed to the end date. That's defined by the terms of
3 the stipulation.

4 So I'm inquiring as to those terms of the
5 stipulation and whether, in fact, the ultimate question
6 in this case, whether or not these payments were, in
7 fact, late.

8 MS. PALMER: I'm going to object, because the
9 document speaks for itself, and it says there's 12
10 monthly payments. So when the payments were complete,
11 that's when it would end.

12 MR. CAMPBELL: The first claim for relief says
13 that it's something different, and as does the
14 stipulation.

15 MS. BRADLEY: So, Mr. Chair, there's been an
16 objection and a response as to whether or not it's
17 relevant to do a hypothetical, to try to discuss, I
18 think, this effective date, whether that's different
19 than the date.

20 So it's up to you. I mean, I think, given,
21 again, that there's an allegation regarding timeliness,
22 I think, it's relevant for Mr. Campbell to try to pursue
23 what would be timely, what wouldn't be, to try to help
24 the Board decide whether it was timely.

25 BOARD CHAIRMAN ZANE: Okay. Objection

1 overruled.

2 MS. BRADLEY: I can look up the definition.
3 Maybe I should do that.

4 BY MR. CAMPBELL:

5 Q. So can you count, Mr. Ingram, for me, 30 days
6 plus three days for mailing from March 10th of 2016?

7 A. The screen just went blank (referring to
8 Ms. Palmer's phone). So 33 days would be April 12th.

9 Q. And when did ESI make the payment, when did
10 they postmark the -- I think, it was an overnight
11 receipt, for this first payment?

12 A. I'd have to reference back to that exhibit.
13 Give me a sec here.

14 So the check was dated April 10th. The ship
15 date was April 12th. And the receipt date was
16 April 13th.

17 Q. So if "effective date" meant added three days
18 for mailing, that payment was timely?

19 A. I don't know the legal part of that, so I can't
20 answer that. I'm sorry.

21 Q. And let's look now to the third claim, excuse
22 me, the second claim for relief, which would be that the
23 May 9th payment, or that the payment in May was due on
24 May 9th of 2016.

25 A. And I'm sorry. What line are you on, sir?

1 Q. It's the second claim for relief. You allege
2 that the May payment was due on or before May 9th, 2016.

3 A. What Bates stamp are you on, sir? I'm flipping
4 back and forth.

5 Q. This is the complaint, Exhibit C-1, at page
6 five.

7 A. Page five. Thank you. I've got separators in
8 there, but we're flipping around so much, one fell out.
9 The second claim for relief. Okay. What was your
10 question, again, sir?

11 Q. The complaint alleges that it was due on or
12 before May 9th, right?

13 A. Correct.

14 Q. And I won't make you count through the days of
15 the calendar again. But would you agree with me,
16 subject to check, that if we added three days mailing
17 onto the May 9th, or to the September -- excuse me,
18 March 10th start date, that it did not come out at May
19 9th?

20 A. If we added three days to May 9th, it would be
21 May 12th.

22 Q. Okay. And then, but this monthly, this monthly
23 payment was -- inputted a new term for payment,
24 "beginning" on the 60th day from the effective date,
25 right?

1 A. Correct.

2 Q. Could that be interpreted that monthly payments
3 started in May, after 60 days from the effective date of
4 the agreement?

5 MS. PALMER: Objection. Calls for a legal
6 conclusion.

7 MR. CAMPBELL: I'm just asking if it could be
8 interpreted that way.

9 MS. PALMER: I'm going to renew my objection.

10 MR. CAMPBELL: Let me rephrase the question.

11 BY MR. CAMPBELL:

12 Q. Mr. Ingram, the stipulation does not say that
13 60 days from the date of the order, the monthly payment
14 will be made such that the payment is due on a date
15 certain, does it?

16 A. It does not.

17 Q. And it could have easily said monthly payments
18 are due on the 9th of each month starting in May, or it
19 could have said they're due on the 10th of each month
20 starting in May. It doesn't make any specific reference
21 to a date, does it?

22 A. I think, that was clarified with previous legal
23 counsel, Rob Smith, when we made a -- when legal counsel
24 clearly defined for him when those dates were due.

25 Q. That would be the one communication regarding

1 the May 9th payment which was under a different
2 provision for payment, and that one just said 60 days --
3 30 days from the effective date?

4 MS. PALMER: Objection. Misstates the written
5 evidence.

6 MR. CAMPBELL: No, the first claim for relief
7 is the \$15,000 payment. The emails say that that
8 payment was late. And that relates to paragraph...

9 MS. PALMER: Counsel, why don't you just go to
10 the communication, so we can cut to the chase. That's
11 what we're talking about, what the communication says.

12 MR. CAMPBELL: Yeah. Well, I'm looking at the
13 stipulation first.

14 MS. PALMER: He just testified that the clarity
15 was in the email communication. So go directly to the
16 communication.

17 MR. CAMPBELL: Let's set up the foundation.

18 BY MR. CAMPBELL:

19 Q. So the communication in the emails, and I'll
20 look to that in a minute, was from paragraph seven,
21 right, of the stipulation, which said that they had to
22 be paid within a certain date, or with a date certain.
23 That was the \$15,000 payment, right?

24 A. I do not believe so. I think, it was in
25 relation to the monthly payments.

1 Q. Okay. Let's look at the email, then.

2 MS. BRADLEY: It's six, Exhibit 6, 155.

3 BY MR. CAMPBELL:

4 Q. Okay. You've got Exhibit 6 in front of you?

5 A. Yes, I do.

6 Q. And the first email is the April 11th to you
7 from Mary Klemme. And it talks about the \$15,000
8 payment for legal fees?

9 A. Yes, that email does.

10 Q. Okay. And that's the same payment that's
11 governed under paragraph seven of the stipulation,
12 right?

13 A. Correct.

14 Q. Okay. So is it your testimony that the April
15 communication between counsel and staff also dealt with
16 the monthly payments, that were also set forth in
17 paragraph nine?

18 A. That was my belief, yes.

19 Q. Okay. But they're different payment
20 provisions, right?

21 MS. BRADLEY: You guys are still being picked
22 up on the microphone, just so you know (to Las Vegas).

23 MR. CAMPBELL: Who's talking?

24 MS. BRADLEY: The two attorneys.

25 BOARD MEMBER FLYNN: Mark, can we take a break?

1 MS. PALMER: Well, we're done in 10 minutes.

2 BOARD MEMBER FLYNN: Okay.

3 THE WITNESS: In their reply to Mr. Smith, it
4 says, okay, the 9th of the month is the actual date that
5 payments are due. But this month, the 9th landed on a
6 Saturday. So it would make it due on the 11th.

7 BY MR. CAMPBELL:

8 Q. The email communications, the email
9 communications with Mr. Smith dealt with the \$15,000
10 payment that was spelled out when it had to be due,
11 under paragraph seven, right?

12 A. Well, again, I wasn't privy to conversations
13 between Mr. Smith and my legal counsel. So my
14 interpretation of the clarification from my counsel to
15 him was that all payments were due on the 9th, unless it
16 fell on a weekend.

17 Q. Okay.

18 A. That was the information I was provided.

19 Q. Fair enough. The May 9th payment, though, or
20 the May payment, you have no information or knowledge or
21 any communication where someone reached out to Mr. Smith
22 and said, "Hey, the May 9th payment's also late. It was
23 due the same date, on the 9th"?

24 A. I did not reach out.

25 Q. And did you see any evidence or any

1 communication that would indicate that Mr. Smith was
2 informed that the May 9th provision, which was due under
3 paragraph nine, not under paragraph seven of the
4 stipulation, was, in fact, also late?

5 A. I don't have knowledge of that.

6 MR. CAMPBELL: How long do we have?

7 MS. BRADLEY: Well, my understanding is we need
8 to be out by 4:45. Is that --

9 MR. WOODRUFF: We have the room until 5:00.

10 MS. BRADLEY: Oh, okay.

11 MS. KLEMME: 5:00.

12 MS. BRADLEY: They say we have the room until
13 5:00, but.

14 MR. CAMPBELL: So we'll have to leave, I guess,
15 by 5:00?

16 MS. BRADLEY: Yes.

17 THE WITNESS: May I make a comment in regards
18 to your questions?

19 MR. CAMPBELL: No. There's no question on the
20 table right now.

21 BY MR. CAMPBELL:

22 Q. Let's go to the June payment now, which, under
23 the complaint, it's again alleged that the complaint
24 says that the payment was due, the 12 equal monthly
25 installment payments was due on or before June 9th of

1 2016, right?

2 A. And where are you referencing, sir?

3 Q. That's claim number -- third claim for relief,
4 Exhibit C-1, Bates 5.

5 A. Okay.

6 Q. And, I think, your testimony is also that it
7 was your interpretation that it was actually due June
8 9th?

9 A. Correct.

10 Q. Okay. And so can you look at Exhibit Number --
11 excuse me, letter M, which is the one that we kind of
12 had a hiccup on getting the full record here.

13 A. Okay.

14 Q. And you've got a full copy of that three-page
15 exhibit now, that we're going to supplement?

16 A. That's correct.

17 Q. Okay. So June 22nd was when that email string
18 started with Ms. Hegdahl, right?

19 A. That's correct.

20 Q. Okay. And the email starts with an inquiry
21 about a driver's license or an ID, et cetera. And then
22 you finish it up at the end of your email. Okay.

23 I'm sorry. Excuse me. If we go to the June
24 23rd, which is the -- would be the email about the
25 middle of the page that says -- from you to Ms. Hegdahl,

1 and says "Amanda, can you please make sure that the
2 monthly checks from ESI are sent to Suite 203. Our old
3 suite number is still being used." Do you see that?

4 A. Yes, I do.

5 Q. So as of June 22nd, according to your
6 calculation, the June payment was, in fact, a couple
7 weeks overdue?

8 A. I believe so, yes.

9 Q. And you testified earlier that you considered
10 the April and May payments also overdue?

11 A. Correct.

12 Q. Since you're talking about payments, and you
13 took the effort to tell Ms. Hegdahl where to send them
14 properly, why wasn't there anything in this email that
15 said, oh, by the way, your June, May and April payments
16 are also late?

17 A. Well, that's an easy answer. I would not
18 communicate that type of information to an employee of
19 Mr. Hendi. He's the qualifying agent.

20 Q. You communicated that the monthly checks were
21 late. Why wouldn't you tell her that, oh, by the way,
22 the monthly checks were sent to the wrong place. Why
23 wouldn't you tell her that they're late?

24 A. Because I communicate with the qualifying agent
25 who is the qualifying agent for the company. However,

1 since what was established in the stipulation that the
2 legal counsel would communicate, I would not involve an
3 employee of his in any kind of a communication on
4 breaches of stipulated agreements.

5 Q. Okay. But you could have -- that's not saying
6 that's a breach of an agreement. You could have just
7 told her that it was late. You knew it was late, right,
8 under your calculation?

9 A. I don't know when she's making the payments. I
10 don't even know if she's the one making the payment.
11 But, no, I was not having a conversation with the human
12 resources manager who works for Events Services.

13 Q. Well, then, why did you reach out to her about
14 where the check should be mailed to?

15 A. Because she was my only point of contact to
16 correct that.

17 Q. You couldn't have reached out to Mr. Hendi?

18 A. Again, she works -- according to Mr. Hendi, she
19 works for Events Services. I would not share any
20 confidential information with an Events Services staff
21 on behalf of ESI Security Services.

22 Q. That's not my question, sir.

23 A. And that was --

24 Q. Listen to the question. The question was, why
25 didn't you reach out to Mr. Hendi, then, if you didn't

1 want to reach out to Mr. Hegdahl?

2 MS. PALMER: Asked and answered.

3 MR. CAMPBELL: I don't think he's answered that
4 one.

5 MS. PALMER: We can read back his testimony.

6 THE WITNESS: I'll answer it.

7 MS. PALMER: Okay.

8 THE WITNESS: I'll answer it again. Because in
9 the stipulation agreement it was set that the two legal
10 counsels would communicate. It did not require me to
11 communicate with Mr. Hendi.

12 MR. CAMPBELL: Okay.

13 THE WITNESS: And it was best not to, because
14 we had other investigations and other citations that we
15 have issued that have yet to be heard.

16 MR. CAMPBELL: Okay.

17 THE WITNESS: And it would only cloud the
18 waters.

19 BY MR. CAMPBELL:

20 Q. Okay. And, to your knowledge, your legal
21 counsel never reached out to Mr. Smith, Mr. Hendi's
22 previous attorney, regarding the June payment and the
23 May payment, which you allege were also late?

24 A. Again, I don't have that knowledge.

25 Q. Okay. But the PILB cashed those checks, right?

1 A. Yes, we did.

2 Q. Did you know when they were received?

3 A. Yes.

4 Q. And when they were received, was your
5 assumption that they were late?

6 A. Yes.

7 Q. But you cashed them anyway?

8 A. Absolutely.

9 Q. Without any notice to anybody that you
10 considered them late, anybody at ESI Security?

11 A. I notified my legal counsel.

12 BOARD CHAIRMAN ZANE: Mr. Campbell, as a matter
13 of process, I'm going to close this up by 10 till. So
14 if you're still on him, we'll be on him when we come
15 back again. And if not --

16 MR. CAMPBELL: Okay. Well, I assume there's
17 going to be redirect. So he's probably coming back
18 either way.

19 MS. BRADLEY: Yeah.

20 BY MR. CAMPBELL:

21 Q. Let's go back to that, your testimony when we
22 were talking about that Exhibit M. And your counsel
23 asked you, you would have expected, I think -- and I'll
24 paraphrase. I'm sure counsel will correct me if I'm
25 wrong. You would have expected that Ms. Hegdahl would

1 have also reached out to you in this email about the
2 notice of violation, Haslip and Magri. Was that your
3 testimony?

4 A. Can you clarify that question, please? I'm not
5 sure what you're asking.

6 Q. Yeah. When we were on this exhibit, your
7 counsel started asking, she kind of deviated off the
8 contents of this exhibit, and she asked you a series of
9 questions, paraphrasing, something to the effect that
10 would you have expected that Ms. Hegdahl was emailing
11 you on the 22nd, that she would have also reached out to
12 you about the notice of violation Ms. Magri and -- or
13 excuse me, Mr. Magri and Ms. Haslip, from the email
14 string, which is, I think, Exhibit 3 in the first case
15 and Exhibit, I think, C-12?

16 A. You're talking about -- yeah, you're talking
17 about that email thread with Ms. Irizarry?

18 Q. Yes. Yes.

19 A. Yeah.

20 Q. And, I believe, your testimony, am I right,
21 your testimony was that you would have expected
22 Ms. Haslip to reach out to you in this Exhibit M
23 regarding that issue, right?

24 A. Well, I would have thought that if she had some
25 outstanding questions, since she was asking me a

1 question, and she sent it directly to me, that that
2 would be an opportunity for her to ask me any additional
3 questions --

4 Q. Okay.

5 A. -- or outstanding questions that she hadn't
6 gotten an answer on, yes.

7 Q. Would you look at C-12. I think, the back end
8 of that C-12 is the same exhibit, that Exhibit 3, which
9 was the email on this.

10 A. Oh, I'm sorry. I'm looking in your C. You're
11 talking about C-12 here. My apologies. Okay. C-12.

12 Q. Go to Bates 178.

13 A. Okay.

14 Q. And in the middle of the page on May 10th,
15 Ms. Irizarry says to Amanda: Thank you, Amanda, for
16 this information. I will discuss with Kevin later this
17 week and have an answer to you for early next week.

18 Do you see that?

19 A. Yeah. Yes, I do.

20 Q. So does it mention to you that you would have
21 an answer for her or that you would get back to her?

22 A. No, it doesn't say that I will.

23 Q. And we've heard a lot of testimony, both in the
24 previous hearing and a little bit today, that
25 Ms. Irizarry went on medical leave somewhere in that

1 six-week period. Do you know when she went on medical
2 leave?

3 A. I don't have that in front of me.

4 Q. Is that something that you could find? I mean
5 she must have a calendar. She was your chief
6 investigator, right? That's a pretty big block --

7 A. Well, I would have it --

8 Q. -- that she was gone.

9 A. I would have it, I would have it in the time
10 and records software that's on my computer, yes,
11 absolutely.

12 Q. Is that something you could look for, before we
13 come back, after this, to the next date of this hearing?

14 A. Well, I can, but her emergency medical leave,
15 which we cannot discuss, was sporadic, and it was based
16 on doctor's orders. And it was, one day, I can't come
17 in, I'm on bed rest. So.

18 Q. Well, I don't want you to give details of that.
19 I just know that I heard testimony that she was -- had a
20 three-week medical leave. And we're talking about a
21 six-week period when there was going to be some
22 response. So I'm just wondering, you know, when did she
23 go on medical leave, what were the dates. I don't want
24 any details of it. And I understand, you know. She was
25 the one that disclosed that she went on medical leave, I

1 believe?

2 A. Absolutely. Yes, I can, I can provide those
3 dates.

4 Q. Okay. So, I believe, your testimony was also
5 that you don't believe you talked to Ms. Irizarry until
6 sometime around the 24th of June?

7 A. Yes, I don't believe that Ms. Irizarry and I
8 spoke prior to her going on leave.

9 Q. So from May 10th, when Ms. Irizarry says "I'll
10 talk to Kevin later this week and have an answer for you
11 early next week," you don't remember her talking to you
12 right away?

13 A. I do not.

14 Q. And Ms. Irizarry --

15 A. But, again, with that, again, the way that's
16 worded, I would have expected Amanda to reach out to me
17 if she hadn't heard from Lori, because Amanda does reach
18 out to me for other things.

19 Q. Well, I didn't ask you that question. I was
20 saying did this email indicate that, in fact, you were
21 going to talk with -- that Ms. Irizarry thought she was
22 going to talk with you that week?

23 A. Yes, it indicates that.

24 Q. And she doesn't say anything in this email that
25 she's going on medical leave and that she's not going to

1 get back to Ms. Hegdahl's for six weeks, does she?

2 A. It was not a planned medical leave.

3 Q. Okay.

4 A. It was not a planned medical leave. It was
5 emergency.

6 MS. PALMER: And I'm going to object as to
7 relevance. Where are you going with this, counsel?

8 MR. CAMPBELL: Well, counsel, you were the one
9 that brought this up in this hearing, that he would
10 suspect that Ms. Hegdahl would have reached out to
11 Mr. Ingram in that June 22nd email. So I'm just
12 inquiring as to the timing of why he thinks she would
13 have reached out to him, in light of the evidence that
14 we have in this case.

15 MS. BRADLEY: So just for the record, NRS
16 233B.123 talks about relevance. Subsection 4 says:
17 Each party may call and examine witnesses, introduce
18 witnesses, cross-examine opposing witnesses on any
19 matter relevant to the issues even though the matter was
20 not covered on the direct exam, et cetera.

21 So the issues here are the complaint and notice
22 of hearing and whether or not the allegations are
23 proven. So I see the timing.

24 And then, also, I think, they're related, and
25 it sounds like you're getting to the notice of violation

1 and --

2 MR. CAMPBELL: Because he brought it up in his
3 direct testimony.

4 MS. BRADLEY: Yeah. So in my experience, the
5 relevant standards are relaxed. And very little is
6 excluded based on relevance in an administrative
7 hearing, unless it's very -- totally not related and
8 inappropriate. I can't recall something that's been not
9 admitted for relevant standards.

10 So, Mr. Chair, I think, you'll need to rule on
11 that objection. But, I think --

12 BOARD CHAIRMAN ZANE: The objection will be
13 overruled.

14 And at this point in time, unless there is
15 anything further, I want to go on to item number five on
16 the agenda.

17 MR. CAMPBELL: So we're --

18 BOARD CHAIRMAN ZANE: Members of the public can
19 make a public comment --

20 MS. PALMER: Mr. Chairman, I apologize for
21 interrupting, but can we discuss when we're going to
22 continue this matter?

23 BOARD CHAIRMAN ZANE: Is there a plan to
24 reschedule this hearing?

25 MR. INGRAM: Mr. Chairman, it'll take me quite

1 some time to come up with locations, dates and times
2 again. With all of the holidays, it's going to be very
3 difficult for me to answer, and so -- of availability,
4 probably until the end of January.

5 BOARD CHAIRMAN ZANE: We might as well make it
6 the second day of March. We've got a place, we've got a
7 location, and everybody's here. We're seemingly getting
8 through our agenda on the first day.

9 MR. INGRAM: Yeah.

10 BOARD CHAIRMAN ZANE: I mean it could be in the
11 first day, too, and if we get done early, do it then.

12 MR. INGRAM: We could definitely do the second
13 day in March.

14 MS. RASUL: Are there other citations or
15 disciplinary actions that are on --

16 (The Reporter indicated a difficulty hearing
17 Las Vegas.)

18 MS. BRADLEY: She's having a hard time hearing.
19 So, I think, we are still on the record.

20 MR. INGRAM: I'm sorry. We were discussing if
21 there were any other disciplinary hearings or appeals
22 scheduled for the second day of the March Board meeting.
23 And I answered, no, there are not. So we would have a
24 full day to be able to spend on this hearing in March.

25 (There was a discussion off the record in

1 Las Vegas.)

2 MR. INGRAM: We're checking dates right now.

3 MS. BRADLEY: Okay.

4 BOARD MEMBER FLYNN: Am I missing something; is
5 there something wrong with January or February?

6 MS. BRADLEY: So, Mr. Chair, is it okay if
7 we're off the record while we have --

8 BOARD CHAIRMAN ZANE: The problem is finding a
9 place to do it.

10 Pardon?

11 MS. BRADLEY: I'm wondering if we can be off
12 the record for a second while the multiple talking is
13 occurring. That way, our court reporter, once we have a
14 date, she could maybe report that.

15 BOARD CHAIRMAN ZANE: Yes, please. We can take
16 five minutes.

17 * * * * *

18 (A break was taken, 4:52 to 4:55 p.m.)

19 * * * * *

20 BOARD CHAIRMAN ZANE: We've gotten notice here
21 to desist, and we're about to be done.

22 MS. BRADLEY: Yes. Perhaps we should just
23 table the discussion of the date until the parties can
24 confirm availability.

25 MR. CAMPBELL: I'll just tell you, we are

1 available.

2 MR. INGRAM: I can get information out to
3 everyone by the first or the second week in January.

4 MS. BRADLEY: Okay.

5 MS. PALMER: Can we just ask what the notice
6 requirements will be at that time? Do we have to allow
7 the 30 days or anything like that, or can -- once we get
8 the dates, can we waive the notice requirements?

9 MS. BRADLEY: Normally, it's a 30-day under the
10 open meeting law. However, the respondent can waive it,
11 if he would like to.

12 They are saying that the March meeting would
13 work for them. They checked those dates.

14 MR. CAMPBELL: If you can find alternate dates
15 in January or February that work for us and, you know,
16 give us as much notice as we can, we'll waive any open
17 meeting law dates.

18 MS. BRADLEY: Okay.

19 MR. INGRAM: Okay. And we'll work directly
20 with you, Mr. Campbell.

21 MR. CAMPBELL: Thank you.

22 MR. INGRAM: Thank you.

23 BOARD CHAIRMAN ZANE: So any public comment?

24 MR. INGRAM: Public comment in the north?

25 BOARD MEMBER COLBERT: No.

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MR. INGRAM: Okay.

BOARD CHAIRMAN ZANE: Not hearing any, do we
have a motion to adjourn?

BOARD MEMBER NADEAU: Move to adjourn.

BOARD CHAIRMAN ZANE: Thank you, sir.

* * * * *

(The meeting adjourned at 4:57 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 Western Nevada College, 2201 W. College Parkway, Donald W. Reynolds Center for Technology, Room 102, Carson City, Nevada, on Thursday, December 8, 2016, at 9:00 a.m., and commencing at 9:07 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 247, 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 13th day of January, 2017.

SHANNON L. TAYLOR
Nevada CCR #322, RMR