

MINUTES
PRIVATE INVESTIGATORS LICENSING BOARD
JUNE 22, 2005

MEMBERS PRESENT:

BOB AUER: ACTING CHAIRMAN (9:00 A.M. TO 12:00 P.M.)

BRIAN SANDOVAL: CHAIRMAN (12:00 P.M. TO 5:00 P.M.)

ED WARD GONZALEZ: BOARD MEMBER

DANIEL CRATE: BOARD MEMBER

JAMES NADEAU: BOARD MEMBER

DAVID SPENCER: ABSENT

OTHERS:

KEITH MARCHER: BOARD COUNSEL

MECHELE RAY: EXECUTIVE DIRECTOR

RENE BOTELLO: INVESTIGATOR

SHARON KILIAN: ASSISTANT

ELAINE TRENT: ASSISTANT

APPROVAL OF MINUTES

Acting Chairman Bob Auer called the meeting to order. Board Member Crate motioned to approve the minutes from the March 22, 2005 meeting. Board Member Gonzales seconded the motion and it carried unanimously.

FINANCIAL REPORT: Ms. Ray explained that since it's the end of the fiscal year, a more detailed financial report would be forthcoming at the next meeting.

Ms. Ray said the legislature doesn't need to approve the financial statement of the Board. No further action was needed.

SWEARING IN: Keith Marcher swore in all those present who were going to testify during the course of the meeting.

STAFF REPORT: Mr. Botello reported that there were 81 pending complaints, 12 new complaints, 44 closed complaints, issued 5 citations, 3 pending citations, 19 cease and desist orders, 9 audits, and 7 notices of violations. From March through June of this year, 39 background checks have been performed, with 2 performed prior to March, 2005. A breakdown of the background checks showed 23 completed, 2 on hold, 2 rejected and 16 pending. The issue of armored cars working with companies providing services over the internet was briefly discussed.

Dean Pennock reported on complaints received by the Las Vegas office. There were 21 new complaints, 15 closed complaint cases, 1 unfounded complaint and 6 sustained complaints. There were 9 cease and desist letters, 2 citations, 6 audits, and 19 convention center checks regarding officers without proper identification.

THOMAS PROTECTIVE SERVICE, INC. requested a corporate private patrolman license. CARL THOMAS requested qualifying agent status, and if approved, asked the Board to grant him an individual private patrolman license to be placed into abeyance. Corporate officers to be approved were CARL THOMAS AND SUSAN THOMAS. He told the Board he was a former Dallas,

Texas sheriff, had been in private practice since 1981, licensed in 10 states, and had licenses pending in other states. The Board had no further discussion.

Board Member Crate moved to moved to approve a corporate private patrolman license for Thomas Protective Service Inc., qualifying agent status for Carl Thomas an individual private patrolman license for Mr. Thomas to be placed into abeyance and corporate officer approval for Carl and Susan Thomas, subject to all statutory and regulatory requirements. Board member Gonzalez seconded the motion and it carried unanimously.

DAVID GALLEGOS requested an individual private patrolman license. He stated he was in the business of designing security systems and had been in business for 20 years. For 12 years he had designed and specified security systems involving fire protection and sprinkler designs.

Board member Crate asked if staff was satisfied with Mr. Gallegos's reported hours. Investigator Botello stated that the hours had been certified. Board Member Nadeau questioned one year mentioned in documents and Investigator Botello indicated the hours were satisfactory with respect to Rancho Cucamonga and San Bernardino work hours. Board Member Gonzalez moved that David Gallegos be granted an individual private patrolman license, subject to all statutory and regulatory requirements. Board member Crate seconded the motion and it carried unanimously.

PRIVATE INVESTIGATOR AND PROCESS SERVER

JENNIFER GARRIGAN applied for a private investigator and process server license. Mr. Auer noted her former employment with the Attorney General's

Office. Her background included investigative duty capacity for six years, and the five years prior to that she also gained process serving experience. She reported 12,500 hours investigative experience and 9,000 hours process serving experience. Board Member Nadeau asked for clarification as to excluding some of Ms. Garrigan's hours with reference to NRS. Mr. Marcher and Investigator Botello assured the Board that the statute "didn't read that way".

Board Member Nadeau moved to grant Jennifer Garrigan an individual private investigator and process server license, subject to all statutory and regulatory requirements. Board Member Gonzalez seconded the motion, and it carried unanimously.

CONSENT ITEMS

ARB Las Vegas applied for a corporate private investigator, reposessor and process server license. Henri Leleu requested qualifying agent status and, if approved, asked to place his individual private investigator, reposessor and process server license into abeyance. Corporate Officers to be approved were Inalynn Leleu, Dani Leleu, and Henri Leleu.

MARK ZANE dba ZANE INVESTIGATIONS applied for an individual reposessor license, subject to all statutory and regulatory requirements.

RANCHO SECURITY SERVICES LLC applied for a corporate private patrolman license. Rickie Nicholas requested qualifying agent and corporate officer status. If approved, Mr. Nicholas asked the Board to allow him to place his individual private patrolman license into abeyance. Acting Chairman Auer asked for audience comments on the three consent items, and there were none. Acting

Chairman Auer asked for a motion. Board Member Nadeau moved to grant ARB Las Vegas a corporate private investigator, reposessor and a process server license, qualifying agent status for Henri Leleu, an individual private investigator, reposessor and process server license to be placed into abeyance and corporate officer status for Inalynn Leleu, Dani Leleu and Henry Leleu. He further moved to grant Mark Zane dba Zane Investigations an individual reposessor license. He also moved to grant Rancho Security Services LLC a corporate private patrolman license, allowed for Rickie Nicholas to place his individual private patrolman license into abeyance and granted him qualifying agent and corporate officer approval, all subject to all statutory and regulatory requirements. Board member Gonzalez seconded the motion and it carried unanimously.

OLD BUSINESS

JAMES LEYDE applied for an individual private patrolman license. He had previously appeared before the Board, which had questions as to whether his hours of experience were adequate. Mr. Leyde stated that when the city where he worked transferred their information from micro-fiche, some of the information regarding work hours was lost. He stated he had 9,500 hours at the last Board meeting. Board Member Gonzalez asked if staff was satisfied with the hours shown as 10,491. Investigator Botello agreed that the hours were adequate and that Mr. Leyde did submit a document. Investigator Botello verified the time. Acting Chairman Auer asked if any audience members wish to testify at this time. There was no response. Board Member Crate asked if Mr. Leyde's volunteer

hours had been included or excluded in his total hours. Investigator Botello stated that the volunteer hours were nominal. Board Member Crate moved that Mr. Leyde be granted an individual patrolman license, subject to all statutory and regulatory requirements, and Board Member Nadeau seconded the motion and it carried unanimously.

PRESENTLY LICENSED CORPORATIONS REQUESTING NEW QUALIFYING AGENT:

SECURITY ARMORED EXPRESS, INC. requested qualifying agent status for BRYAN SANDROCK. Mr. Sandrock stated he worked for Security Armored Express since April 1, 1990 to present. He started at entry level and eventually became president. He stated that he held the equivalent of qualifying agent in other states, North Dakota, Montana and Washington. Board Member Crate questioned a page in the application regarding credit status, which Mr. Sandrock explained did not pertain to his individual credit history. There were no comments from the audience. Board Member Gonzales moved to approve qualifying agent status for Bryan Sandrock and granted him an individual private patrolman license to be placed into abeyance, subject to all statutory and regulatory requirements. Board Member Crate seconded the motion and it carried unanimously.

NEVADA ATM ACQUISITION LLC requested qualifying agent status for GLENN BIANO. Mr. Bianco told the Board he had been in the armored car business for 8-9 years and started in Hawaii. After 7 years, he became the manager for Nevada ATM Acquisitions upon moving to Nevada. There were no comments from the audience. Board Member Nadeau moved to approve Glenn Bianco qualifying agent status for Nevada Atm Acquisition LLC, and granted him an individual

private patrolman license to be placed into abeyance, subject to all statutory and regulatory requirements. Board Member Gonzales seconded the motion and it carried unanimously.

MORRISON SCREENING SERVICES, INC. requested qualifying agent status for STEVEN THOMPSON. Mr. Thompson told the Board he had been in the security field since 1971 and retired from the Air Force 14 years ago. Board Member Gonzales addressed the complaint regarding Morrison Security Group concerning workers who did not have work cards. Board Member Gonzales noted that all workers obtained their work cards and Investigator Pennock stated he had no reservations concerning the company. Board Member Crate was assured by Executive Director Ray that her office had received proper documentation that the work cards had been obtained. Mr. Thompson stated that during his absence from the company, subordinates had cut corners, which brought on the complaint, and now he is more conscientious in preventing future complaints.

Board Member Crate moved that Steven Thompson be granted qualifying agent status for Morrison Security Group Inc., and granted him an individual private patrolman license to be placed into abeyance, subject to all statutory and regulatory requirements. Board Member Nadeau seconded the motion and it carried unanimously.

PRIVATE INVESTIGATOR

INFOLINK SCREENING SERVICES, INC. was placed further down on the agenda as a representative was not present.

DYNAMIC ADVANTAGE, INC. requested a corporate private investigator license. GREGORY DOOMANIS stated he had been involved in mystery shopping since 1980 and wished to expand into Nevada. Board Member Gonzales said that there are different variations on mystery shopping and asked Mr. Doomanis to elaborate on what his mystery shopping actually entailed. Mr. Doomanis said his employees report on customer service, condition of business, whether “shoppers” were greeted, thanked, welcomed by businesses and if they would recommend returning to the establishment. Mr. Doomanis stated that most of his employees are part-time and receive a 2-week training program in-house, as well as in the field. Each employee is paid per stop.

Board Member Gonzales wanted to learn if there was any investigative work done by the mystery shoppers and Mr. Doomanis said that no longer occurs. Employees rarely work one day and then quit because the training is so intense. Board Member Nadeau asked about Dynamic Advantage Inc’s relationship with Commercial Service Systems. Mr. Doomanis said that company had been owned by his father until his death. Under public comment, Chuck Kennerson spoke from the Las Vegas office that he is a licensed private investigator and involved with mystery shopping. He said he was dismayed that the Board was even entertaining the request by Mr. Doomanis. Acting Chairman Auer said that mystery shopping businesses were being licensed in Nevada. Mr. Kennerson said Nevada has very stringent qualifications. Mike Kirkman questioned whether Mr. Doomanis’s business was a California corporation and, if so, had been registered in Nevada. Mr. Doomanis affirmed the foreign entity registration in

Nevada. Board Member Crate moved to approve a corporate private investigator license for Dynamic Advantage Inc., qualifying agent status for Gregory Doomanis, an individual private investigator license for Mr. Doomanis to be placed into abeyance and corporate officer approval for STEFAN DOOMANIS, CHERIE DOOMANIS, AND GREGORY DOOMANIS, subject to all statutory and regulatory requirements. Board Member Nadeau seconded the motion. The motion was followed by Board discussion. Board Member Gonzales questioned the 25 years of experience for Mr. Doomanis, who stated he was 48 years old. Acting Chairman Auer asked if the Nevada Legislature had ever sought to exclude mystery shoppers from the Private Investigators Licensing Board regulations. Board Counsel Keith Marcher said the legislature had discussed the issue of mystery shoppers before. Mystery shopper businesses are required to be licensed in this state. Acting Chairman Auer called for a vote on the motion, which carried without opposition.

VERACITY RESEARCH COMPANY requested a corporate private investigator license. MARCUS DOYLE applied for an individual private investigator license to be placed in abeyance, with corporate officers MARCUS DOYLE and LANCE FOSTER to be approved. Marcus Doyle stated that he had 10 years of experience operating in several states working with insurance companies. There was no comment from the audience. Board Member Gonzales moved to approve a corporate private investigator license for VERACITY RESEARCH COMPANY, qualifying agent status for MARCUS DOYLE, an individual private investigator license for Mr. Doyle to be placed into abeyance and corporate

officer approval for MARCUS DOYLE AND LANCE FOSTER, subject to all statutory and regulatory requirements. Board member Nadeau seconded the motion and it carried unanimously.

BIOMETRICA SYSTEMS, INC. requested a corporate private investigator license. CHARLES GUENTHER requested qualifying agent status and, if approved, asked the Board to grant him an individual private investigator license to be placed into abeyance. Corporate officers to be approved were DAN ROY AND ELLIOT MARK. The parent corporation, Viisage Inc., was requesting corporate officer approval for BERNARD BAILEY and JAMES EBZERY.

Charles Guenther stated he had worked for Biometrica for a year and a half and had 30 years of experience in law enforcement. There was much discussion about Biometrica's business by the Board members with Charles Guenther. Mr. Guenther explained that Biometrica provided software capabilities to casinos by means of a database each casino could develop for their own use. The database would give the casinos the capability to identify card counters, advantage players, individuals with arrest records and/or warrants, and any other criteria chosen by the individual casinos for facial recognition of casino patrons. When asked by Board Member Crate how Biometrica obtained its information, Mr. Guenther stated the information came from the contacts in the casino industry. He said the technology was originally created to aid in identity theft prevention. The casinos could use Biometrica's software to keep "undesirable" people out of the casinos. He said the software would also aid casinos in identifying and excluding compulsive gamblers from the casino. Dan Roy was

also present on behalf of Biometrica. He was asked by Acting Chairman Auer how Biometrica learned they would need a corporate license to operate in Nevada and he stated that it was a “gray area” but they were willing to apply for the license to follow the regulations. The Board was told that any information Biometrica supplies was not done via the internet, which could be easily hacked, but via phone lines (analog) which would not be easily compromised. Charles Guenther also stated that only pictures and date of birth, if supplied, were included in the database, but no social security number, addresses, or place of employment were keyed into system. The Gramm-Leach-Bliley Act of 1999 was mentioned by Board Member Crate as a possible federal law regulating Biometrica’s affairs. There was discussion on the use of images, date of birth information, etc. and the legalities such usage may entail.

Acting Chairman Auer said the qualifying agent was ultimately responsible for any complaints from the public. Acting Chairman Auer asked for a motion. Board Member Nadeau asked if Biometrica was registered as a corporation in Nevada and was told the affirmative. Acting Chairman Auer mentioned that technology was ahead of the law in the present matter. Board Counsel Marcher stated he didn’t believe the GLB Act of 1999 was applicable to the matter at hand. A lawsuit from the previous week, (3rd week of June, 2005) was mentioned regarding Griffin, which lost its first lawsuit to two card counters with regards to Caesar’s Palace, which settled out of court. Mr. Guenther said the court case was a criminal trial and not a civil case for Griffin and the reason the case was lost was because evidence had been inadvertently destroyed. Acting Chairman

Auer called for a motion, Board Member Nadeau made the motion to grant a corporate private investigator license for BIOMETRICA SYSTEMS, INC., qualifying agent status for CHARLES GUENTHER an individual private investigator license for Mr. Guenther to be placed into abeyance, corporate officer approval for DAN ROY and ELLIOT MARK as Biometrica Systems corporate officers, and to approve BERNARD BAILEY AND JAMES EBZERY as corporate officers for VIISAGE, INC. Board Member Gonzales seconded the motion and it carried unanimously.

DAVID STEPHAN dba DAVID STEPHAN INVESTIGATIONS requested an individual private investigator license. Mr. Stephan told the Board he was a fire investigator for the Carson City Fire Department and for the last 15 years had performed fire investigations for the private sector. Board Member Gonzales moved to grant David Stephan an individual private investigator license, subject to all statutory and regulatory requirements. Board member Crate seconded the motion and it carried unanimously.

COMPUTER FORENSIC EVIDENCE SOLUTIONS, INC.'S request for a corporate private investigator license was placed on hold by the Board and no further action was taken.

INFOLINK SCREENING SERVICES, INC. requested a corporate private investigator license, PHILLIP SMITH requested qualifying agent status, and if approved asked the Board to grant him an individual private investigator license to place into abeyance. Corporate officers to be approved were BARRY NADELL, RICHARD LINSLEY, WALTER KAINZ, LESLIE NADELL, THOMAS

EBERHARD, and PHILLIP SMITH. Phil Smith stated to the Board that Infolink is a pre-employment screening service which runs background investigations. They wished to become licensed to comply with state statutes and had been involved with investigations since the mid-1970's concerning insurance fraud cases. Infolink had already been licensed in California. There was no public comment. Board Member Crate moved to approve a corporate private investigator license for Infolink Services Inc., qualifying agent status for PHILLIP SMITH, an individual private investigator license for Mr. Smith to be placed into abeyance and corporate officer approval for BARRY NADELL, RICHARD LINSLEY, WALTER KAINZ, LESLIE NADELL, THOMAS EBERHARD, AND PHILLIP SMITH, subject to all statutory and regulatory requirements. Board Member Gonzales seconded the motion and it carried unanimously.

DARRYL STOUTSENBERGER dba D & L PROJECTS, FIRE INVESTIGATIONS requested an individual private investigator license. Mr. Stoutsenberger told the Board he worked in fire investigations in Everett, Washington from 1993 to 2001. He said he was currently working for First Unified Investigations and wished to form his own independent company. Following no public comments, Board Member Nadeau moved that DARRYL STOUTSENBERGER dba D & L PROJECTS, FIRE INVESTIGATORS, be granted an individual private investigators license, subject to all statutory and regulatory requirements. Board member Gonzalez seconded the motion and it carried unanimously.

ARLENE SIROIS dba LAS VEGAS INVESTIGATIONS requested an individual private investigator license. Ms. Sirois was a 17-year federal employee. She

then worked for the Railroad Retirement Board and Social Security in Las Vegas. She received her B. A. degree and became a private investigator in 1996 and now wished to start her own business. Board Member Gonzales asked about her work experience at Boggs, Kramer and Associates. Ms. Sirois stated that most of the investigations involved personal injury cases and skip traces. Board Member Gonzales made a motion to grant ARLENE SIROIS an individual private investigators license, subject to all statutory and regulatory requirements.

Board Member Crate seconded the motion, which carried.

RILEY SMITH requested an individual private investigator license. Mr. Smith explained to the Board he worked for his father for 5 years and accumulated just under 12,000 hours. He performed employee screening and tenant screening. Board Member Crate asked how he had amassed so many hours in 5 years. Mr. Smith said he worked from 8:00 a.m. to 10:00-11:00 p.m., which amounted to 14-15 hour workdays. Mr. Botello stated that he had requested verification of the hours from Riley Smith's father, who did indeed verify the hours, and Mr. Botello said there was no doubt that the financial records proved the hours worked.

Board Member Gonzales made a motion to grant RILEY SMITH an individual private investigator license, subject to all statutory and regulatory requirements.

Board member Nadeau seconded the motion and it carried unanimously.

AIG WORLD INVESTIGATIVE RESOURCES, INC. requested a corporate private investigator license. KEVIN RAINBOLT requested qualifying agent status and if approved asked the Board to grand an individual private investigator license to be placed into abeyance. Corporate officers to be approved were

JOHN MONAHAN, GLENNWOOD PHILLIPS and LOUIS PARISI. Mr. Rainbolt told the Board his experience was in commercial insurers with 240 underwriting companies. He had experience in special investigations unit, which included all types of insurance investigations. Board Member Gonzales made a motion to approve a corporate private investigator license for AIG WORLD INVESTIGATIVE RESOURCES, INC. qualifying agent status for Kevin Rainbolt, an individual private investigator license for Mr. Rainbolt to be placed into abeyance and corporate officer approval for JOHN MONAHAN, GLENNWOOD PHILLIPS AND LOUIS PARISI, subject to all statutory and regulatory requirements. Board Member Crate seconded the motion and it carried unanimously.

JENNIFER HARHAY requested an individual process server license. Ms. Harhay told the Board she had 5 years and 9 months experience in process serving. Board Member Nadeau moved to approve an individual process server license for JENNIFER HARHAY, subject to all statutory and regulatory requirements. Board Member Gonzalez seconded the motion.

QUALITY SECURITY, INC. requested a corporate private patrolman license. RICHARD BOULDIN requested that the Board grant him an individual private patrolman license and asked that the license be placed in abeyance so he could become the qualifying agent for QUALITY SECURITY, INC. RICHARD BOULDIN was the only corporate officer to be approved. Mr. Bouldin told the Board he began working in the security field in 1977 working first for Landmark Hotel for 8-9 months. He then was employed at the Nevada Test Site from 1979-

2002 as a security supervisor. Board Member Crate asked Mr. Bouldin about his relationship with Guardian Security, where he worked as a registered employee for about 8 months. Mr. Bouldin stated that he performed field work and troubleshooting. Mr. Ken Wilson at that time asked Mr. Bouldin if he would serve on the board of directors. Mr. Bouldin agreed to do so, but was never called to attend any meetings of the board of directors. Board Member Crate asked Mr. Bouldin about Guardian, a company that went bankrupt, and if Mr. Bouldin had any financial interest in the bankrupt company. Mr. Bouldin stated that he had loaned that company money before the bankruptcy. Board Member Gonzales made the motion to approve a corporate private patrolman license for QUALITY SECURITY, INC., grant qualifying agent and corporate officer status for RICHARD BOULDIN, an individual private patrolman license to be placed into abeyance, subject to all statutory and regulatory requirements. Board member Nadeau seconded the motion and it carried unanimously.

PINKERTON GOVERNMENT SERVICES, INC. requested a corporate private patrolman license. LEO FLURY requested an individual private patrolman license and have it placed into abeyance so he could become the qualifying agent for PINKERTON GOVERNMENT SERVICES, INC. Corporate officers to be approved were RONALD HARPER, JENNIFER LEPAGE, MARK HOWELL and LEO FLURY. Mr. Flury reported that Pinkerton Government Services, Inc. has been licensed in several states with the Department of Defense and Department of Energy as clients. They have provided background security for Wells Fargo Securities. He said he was the vice-president of Pinkerton in the

western United States. Board Member Crate made a motion to grant PINKERTON GOVERNMENT SERVICES, INC. a corporate private patrolman license, LEO FLURY an individual private patrolman license, which will be placed into abeyance so he could become the qualifying agent, and corporate officer approval for RONALD HARPER, JENNIFER LEPAGE, MARK HOWELL and LEO FLURY, subject to all statutory and regulatory requirements. Board Member Gonzales seconded the motion and it carried unanimously. PROTECT OF NEVADA requested a corporate reposessor license. BRAD ROBINSON requested to be the qualifying agent and, if approved, asked the Board to grant him an individual license to be placed into abeyance. Corporate officers to be approved were KIRK WELDAY and BRAD ROBINSON. Mr. Robinson stated that he owned Protect Recovery in California for over three years and was a member of the California Repossessor Association. He worked for other recovery agencies in the 1980's, where he performed skip tracing and background investigations for clients. Mr. Robinson had not performed any recoveries in Nevada; he planned to maintain the California business, and would be in charge of the Nevada office. Acting Chairman Auer noted that, as qualifying agent, Mr. Robinson would be responsible for any complaints made against his company, and Mr. Robinson acknowledged the fact. Mr. Robinson reported over five years of experience performing recovery work in California. Acting Chairman Auer questioned Mr. Robinson on some of the discrepancies in his own background investigation. Mr. Robinson explained that the discrepancies noted occurred over 20 years ago and it was difficult for him to

provide addresses and phone numbers from such a long time ago. Mr. Botello stated that the hours of experience as reported had been verified. Acting Chairman Auer stated that recovery businesses are prohibited from “breaching the peace” and Mr. Robinson agreed that it was his intention to adhere to the rule. Board Member Crate questioned Ms. Ray on the similarity of the name PROTECT OF NEVADA with another business, PRO-TECT SECURITY. Ms. Ray said that Pro-Tect Security does not perform recovery work; however, she would contact Pro-Tect Security to inform them of the similarity in names. Board Member Crate moved that PROTECT OF NEVADA be granted a corporate reposessor license, that BRAD ROBINSON be granted an individual reposessor license to be placed into abeyance so he may become the qualifying agent, and that corporate officers, KIRK WELDAY AND BRAD ROBINSON, be approved, contingent upon the already licensed corporation Pro-Tect Security not taking issue with the similarity of the name, subject to all statutory and regulatory requirements. Board Member Nadeau seconded the motion and it carried unanimously.

Chairman Sandoval thanked Mr. Auer for chairing the meeting during his absence. He then asked if Mr. Mandall was present on behalf of COMPUTER FORENSIC EVIDENCE SOLUTIONS, INC., but he still was absent.

ADMINISTRATIVE BUSINESS

Chairman Sandoval asked Ms. Ray to report to the Board regarding CUSTOMER SERVICE PROFILES and its compliance issues discussed at the March 22, 2005 Board meeting. Ms. Ray stated that she had included in the information

she had distributed to the Board a copy of the letter she had sent to Mr. Kutilek and Customer Service Profiles with the changes they made per the Board's instructions at the last meeting. Board Member Crate asked if CUSTOMER SERVICE PROFILES had acknowledged to Ms. Ray that they had received her letter. She said she had not sent the letter certified. Board Member Crate asked her to verify that they had received the letter from her. He asked Ms. Ray that, for their files, it should be noted for the record that CUSTOMER SERVICE PROFILES had received the letter for changes and had understood it. Ms. Ray said after the letter was sent, she did speak with Mr. Kutilek, he gave her all the information that she included showing the changes, but she will obtain a follow-up letter from him.

Update on legal analysis. Ms. Ray reported on the legal analysis requested during the previous meeting regarding licensees utilizing the services of a professional employee organization. Ms. Ray said that Mr. Marcher wrote a memo for the Board members. In the final paragraph, it stated that if licensees were going to use the company, then we should have all the pertinent licensing information. Board Member Crate asked if there was more than a verbal report concerning the issue. He believed there should be a written notation in the file by the licensees to show that a relationship existed. Ms. Ray stated that the office could easily follow-up and that the licensee also shares the responsibility with the auditing process. Board Member Nadeau asked if Mr. Marcher believed there was a need for a regulatory interpretation, but Mr. Marcher said there was no need. Mr. Marcher said it was informational only.

PETER MAHEU at the Las Vegas office wished to make a public comment regarding the discussion concerning CUSTOMER SERVICE PROFILES.

Chairman Sandoval said he could briefly speak with reference to Item 30. Mr. Marcher swore in Mr. Mayhew. He said he felt the Board had missed the point and read from NRS 648.12. He read the statute. He felt that any person conducting surveys should be licensed in Nevada. He further stated he felt some companies were attempting to skirt the issue of obtaining a license.

REMARKETING SOLUTIONS and other similarly situated companies asked for the Board's opinion regarding licensure as it related to their companies, known as forwarding companies (forwarders) and recovery companies.

KATHLEEN DRACULICH stated she was in favor of not requiring REMARKETING SOLUTION to be licensed in Nevada. She described what Remarketing Solutions does, which was to perform work to obtain autos/collateral on behalf of banks and credit unions. She stated that the company had no employees and no office in Nevada, as well as no interaction with the public. She then spoke of the word "person" as used in the statutes. She said a reposessor is an individual and not a corporation and read from NAC 648.570, which stated that a person cannot become a contractor. She said a person was an employee of the licensee.

BILL PETERSON then spoke on behalf of North America and the receipt of a cease and desist letter from Mr. Botello. Mr. Peterson said he wished to see if there indeed were violations on statutes by the forwarding companies. He stated that his clients funnel a product that anyone can go personally or hire another to

seize property. He stated that these companies were entitled to take, store, refurbish, maintain and sell collateral. He said that outsourcing the act of repossession improved efficiency and, in so doing, had been detrimental to existing repossession companies in Nevada. Mr. Peterson said that banks use professionals (meaning the forwarding companies) and it had become a nationwide business. He said his clients act as agents only to arrange repossession needs and perform an arranging function. The two major functions of repossessioners were to protect the public peace and to protect the public from unscrupulous people. Mr. Peterson reiterated that forwarding companies perform activities needed by financial institutions that could be performed by the institutions themselves, using their own employees, but the institutions prefer the forwarding companies make all the arrangements.

JERRY WARD from PAR North America printed out a Word document recently to make sure the verbiage was correct, but the date the actual document was created was at an earlier time.

MIKE JOHNSON and MATT DAVIS represented NEVADA RECOVERY SERVICES. The company had received a license in California and had only done business with licensed repossessioners. Mr. Johnson stated that NRS 648.015 required someone to locate personal property. They haven't recovered or located property themselves, but used information provided to them by the financial institution wishing to recover the property. Nevada Recovery Service also received a cease and desist letter. He noted that the definition of a repossessioner adopted by Nevada in 1968 was identical to the definition used by

California since the late 1950's. Mr. Johnson said that the impetus for requiring repossessioners to be licensed was for consumer protection. He stated that American Recovery Service didn't have a business license in Nevada. Mr. Johnson noted that the statutes were written to protect the consumer, and it was not the intent of the legislature to protect the repossessioners.

ROBERT HAGER represented RENAISSANCE RECOVERY SERVICE. He said that, unlike the previous business who had spoken to the Board, his company was a Nevada corporation. The company had an actual presence in Grand Rapids, Michigan and represented lenders in every state. They have not been licensed to repossess vehicles themselves. Mr. Hager said that his business was engaged in acting as the middleman, or agent.

Board Member Nadeau asked for clarification regarding the statements made that forwarding companies don't do business in Nevada, and wanted to learn how the repossessioners learn where the specific collateral is located in Nevada. Mr. Hager said that Renaissance Recovery performed skip tracing in their Michigan office.

LINDA LESLIE, president of Renaissance Recovery, stated that banks contact her company with information they have obtained from consumers pertaining to addresses of the collateral. Board Member Nadeau asked how Renaissance Recovery advertises its services. Ms. Leslie said her company had a number of clients nationwide, but not clients/banks in Nevada.

PHIL HANKS with MARKETING SOLUTIONS said he received the last known address for location of collateral by the banks. Board Member Nadeau asked if

the company only dealt with banks and Mr. Hanks said his company did not deal directly with any businesses in Nevada. Ms. Leslie said her company had done business with Harley in Las Vegas.

BILL ARTEMIS testified that he is not an attorney, but was a licensed reposessor and owned his own business. He stated that he endured the rigorous licensing process in the past and that all licensed businesses in Nevada had earned the right to do business in this state. He said that Remarketing Recovery was a foreign corporation in Nevada; so therefore, they did perform business in Nevada, directly conflicting with their statements that they did not perform business here. Mr. Botello distributed several hand-outs compiled by Mr. Artemis for the Board and recovery representatives to peruse. Mr. Artemis stated that the marketing used by the recovery services shows that they did perform business in Nevada. Mr. Artemis noted that the recovery representatives were questioning the definition of the term word "person" as opposed to "corporation" as used in NRS 648.015. Mr. Artemis stated that the definition of the term "person" may include a firm or corporation. He then referred to Black's Law's definition of engaging in business: "to engage, to employ, embark on or involve self". He said that the remarketers offered opinions, but no legal procedures.

Mr. Artemis said that, according to NAC 648.235, corporations licensing without a qualifying agent must apply for a qualifying agent within 6 months of receiving their corporate license. He said that the remarketer companies have continued doing business even after receiving cease and desist letters issued to them by

the Board. He further stated that not requiring the remarketers to obtain licenses would aid and abet them to continue doing unlicensed work in Nevada and that such activity would increase dramatically.

GEORGE PEDINE of ALLIED then stated that he became a reposessor 25 years ago and was pleased to hear the statutes were designed to protect the consumer. However, he believed the recovery companies were trampling the right of the licensed repossessors and there had been many complaints registered regarding the recovery companies. He stated that many states felt it was important to support the licensed repossessors in Nevada, even though he was from Michigan.

Board Member Crate referenced Mr. Begeen's letter, which stated that forwarders had recently been caught hiring unlicensed repossessors in Utah to repossess cars in Nevada. This incident was the only case shown proving use of unlicensed people by the forwarding companies. Board Member Crate then asked Mr. Botello about unlicensed activities. Mr. Botello said that a cease and desist letter had been issued a few years ago to IGS, a recovery service in Nevada, they had been fined, and then began the licensing procedure.

Board Member Nadeau then asked about the fees charged by the recovery services as opposed to those charged by repossessors working alone. Mr. Botello said that repossessions in Las Vegas are \$400 and around \$350 in Miami. The recovery companies can pay the reposessor around \$275 per car recovered.

Mr. Artemis said that if he learns a bank's customer has moved a car out of state, he informs the bank that the car is outside Nevada and does not go to another state to repossess the car himself.

Board Member Crate asked if there was any other information on the use by remarketers of unlicensed repossessors and none was presented.

RICHARD SWARTZENDRUBER of PATHFINDER TECHNOLOGY, INC. stated that if GM owned a car, the reposessor could retrieve that car, but not another make/model without a license or work for another dealership for which he was unlicensed.

Board Member Crate asked Mr. Peterson if PAR North America had any reposessor people on its payroll. Mr. Peterson said all repossession work was outsourced. Board Member Crate made mention of that fact that clients should be made aware that PAR had no licensed repossessors on its payroll. He also noted ads placed by PAR that imply PAR itself had access to over 400 licensed and bonded recover agents and that the ad seemed like a lure to prospective customers. Board Member Nadeau noted that the ads seemed to imply that PAR had a presence in all 50 states. Board Member Crate stated that he wanted the business run properly, regardless of the cost and expressed concern that the recovery businesses were performing actual private investigator work without a license. Mr. Ward stated that PAR had a very small skip-tracing staff which used information provided by clients. PAR had access to public information that it conveyed to the client.

Board Member Crate then questioned PAR representatives about the possibility of no repossession Nevada businesses accepting work from them and what would be done in that situation. Mr. Ward said that PAR had never had a problem with repossessionors refusing work in Nevada.

Board Member Crate called the representatives from Renaissance Recovery back for questioning and asked them about language in their advertisement stating they had an affiliate network in all 50 states. Mr. Hager explained that all work done for Renaissance Recovery was done by contracting, not by their own employees. He further stated that there was a misconception with regards to the language used in NAC 648.570. He said that confusion exists between contractors and repossessionors. He stated that one hired a person or persons and those hired engage in the repossession activity itself.

The Board then discussed the fact that remarketers couldn't advertise they were repossessionors without holding a license to do so. The Board also wanted to prevent public confusion that would divert potential clients from repossessionors in Nevada to the forwarders, the public not realizing that the forwarders actually had to contract out the work to the licensed repossessionors.

Board Member Gonzales asked if, when the remarketers print letterhead, they included language to the effect that they had offices in Nevada or other 49 states, and was told the remarketers did not.

Chairman Sandoval asked for any further Board questions.

Mr. Artemis made his final comment that repossessionors were held to a high standard and remarketers are sub-contractors who didn't have to go through the rigors of becoming licensed.

Board Member Crate asked Mr. Botello if any further discussion was needed and he declined. Board Member Crate stated that IGS had been brought up as a precedent. IGS had been issued a cease and desist letter. Rather than appeal, the company chose to become licensed.

Mr. Hager noted that Renaissance Recovery had never been sued and had no cases pending in Nevada for lawsuits.

Board Member Crate observed that everyone's testimony stated they were following licensure and regulation requirements. Board Member Gonzales questioned the statistics on how much repossession work was being taken over by middlemen and wanted to know about the possibility of the perpetuation of gross fraud on the public by poor repossession activities.

It was determined that about 65% of repossession business was going to forwarders. Mr. Botello stated that of the dozen or so licensed repossessionors in Nevada, 3 or 4 actively work for remarketers.

Chairman Sandoval said the analysis went to the statutes and the forwarder argument should go to the legislature. The Private Investigators Licensing Board was not in a position and had no jurisdiction to make a ruling. He didn't perceive that the remarketers fell into the category of repossessionors.

Board Counsel Marcher was questioned about any necessary formal action as to whether forwarders need to be licensed. Mr. Marcher said the agenda item should be closed and the cease and desist orders should be cancelled.

Board Member Gonzales stated that the Board was not in a position to challenge or monitor internet business, but was concerned with truthful recruitment, selling, and letterhead representations made by the forwarders.

Chairman Sandoval called for a motion and Board Member Nadeau made a motion that the cease and desist orders be cancelled. Chairman Sandoval directed counsel to direct staff to withdraw cease and desist orders.

Board Member Crate seconded the motion. He also commented that the finding was not an authorization to conduct business without a license in Nevada when the license is required by law. The motion then passed unopposed.

NEW ID CARDS for licensees was then discussed. Ms. Ray attended a class and needed to obtain a quote to begin the new ID card process. She asked if the Board would like to issue new cards as soon as possible or if they would like to see a new card prototype before authorization. There was a discussion on the necessity of signature of the chairman to appear on each card issued. Ms. Ray said the scanning of the Board Chairman's signature was a definite possibility.

The question of photographs for each applicant was answered by Ms. Ray, who stated that new photos become available at this time of year with the renewal process. Ms. Ray was told to proceed with the new ID cards.

JOHN POWELL petitioned the Board for a rule change to apply reciprocity described in NAC 648.400 to all applicants within the jurisdiction of the Private

Investigators Licensing Board. Ms. Ray stated that this reciprocity issue started as a complaint. A cease and desist order was sent and a response was received by Ms. Ray's office.

Board Counsel Marcher said that the letter referenced the regulation with regards to allowing reciprocity for polygraph examiners.

MIKE KIRKMAN commented from Las Vegas regarding the reciprocity issue. He stated that he strongly opposed allowing people from other states to work in Nevada without obtaining a Nevada license. He said if the policy of reciprocity was adopted, he would not need to renew his Nevada license because he had one in California.

AL KAPLAN commented from Las Vegas that if people wished to work in Nevada, they should play by the rules. He said people from California should not advertise in Nevada using a California phone number and do business in that state.

GINA CROWN told the Board that she held a Nevada license and wished to address the reciprocity issue. She stated that she regularly saw cases where investigators who held licenses in other states (particularly California) came to Nevada and performed investigative work without a Nevada license. She said she had witnessed blatant disrespect from many California-licensed investigators for Nevada laws and regulations. She stated she was proud of the stringent licensing requirements to obtain Nevada licenses and did not believe other states deserved reciprocity with Nevada private investigator licenses. California required much fewer hours to qualify for the licenses. She mentioned that

Nevada required 10,000 hours of experience to obtain a private investigator license and the same amount for private patrolman licenses. California required 6,000 hours of experience. No background checks of applicants were run to obtain licenses in California, other than fingerprinting. Background checks were performed in Nevada, along with fingerprinting. The exam in California was not nearly as stringent as Nevada's.

Ms. Crown also addressed the fact that the California Bureau of Investigation had little power to enforce statutes and regulations. Ms. Crown said complaints often fall into a "black hole" with that department and were not handled properly. It was noted by the Board that MR. POWELL was not present at the Las Vegas office to participate in the Board meeting discussion on reciprocity. Mr. Maheu emphasized the fact of Mr. Powell's absence.

Chairman Sandoval stated that he was not prepared to change regulations or start the process to introduce reciprocity in Nevada. He was inclined to deny Mr. Powell's petition to seek a rule change as shown in the agenda.

Board Member Crate noted that the reciprocity issue had been visited in the past by the Board; it had been denied. He then motioned to deny the petition for reciprocity, Board Member Gonzales seconded it, and it passed unanimously.

Chairman Sandoval stated that NAC 648.280 accommodated individuals licensed in other jurisdictions to perform temporary work versus permanent employees, who must be licensed.

Board Member Crate asked to combine the issue on initial approval of language of NAC 648 relating to Insurance with the initial approval of language of NAC 648

relating to licensees to include license number on all advertisements. He asked for a workshop in order to explore both issues more fully.

APPEAL HEARINGS

EUGENE BURGER MANAGEMENT was issued a citation (number 04-026) for unlicensed activity. Mr. Burger was sworn in by George Campbell.

Board Counsel Keith Marcher asked if the gentleman was indeed Eugene Burger. He stated that he was, and acted as Chairman of the Board.

Board Counsel Marcher asked if Mr. Burger had received a citation and he stated that he had. Board Counsel Marcher asked if the citation had been lawfully issued and was assured that it had been. He then asked Mr. Burger if he waived his right to appeal and Mr. Burger agreed.

Mr. Burger said he had been performing security work and obtained a license from the Board. He has overseen employees since 1988, who were uniformed personnel. He had received 20-40 calls per month regarding illegal activities being carried out by tenants in the properties he for which he provided security. The calls entailed spousal abuse, drug-related activities, and other illegal acts. His employees received the same training as peace officers to do their jobs. Mr. Burger admitted that he didn't know about the law mandating that his employees become licensed to be security guards/patrolmen. He said he realized that ignorance of the law was no excuse and accepted the citation for not having licensed employees. Eugene Burger Management was involved with numerous housing units which accept subsidized tenants, who could bring a host of illegal activities to their dwellings. Mr. Burger said that his employees have helped

reduce crime in the housing units where they work and the area police were thankful for that assistance. Mr. Burger said that, unlike some security firms, his employees were motivated and performed their jobs well. Mr. Burger said his firm was 38 years old and provided security for 446 properties, some located in both Carson City and Las Vegas. He said he held a current Nevada gaming license.

Board Member Gonzales noted that it seemed impossible for a security guard firm to be responsible for the illegal acts of the residents in the properties where the firm worked and stated that overseeing illegal activities was the job of the local police departments.

Commented [m1]: Does this make sense?

Chairman Sandoval asked for a motion to accept the stipulation that the citation was appropriate as presented by Mr. Marcher and it was accepted. Board member Nadeau moved to uphold the citation. Board member Gonzalez seconded the motion and it passed unanimously.

Mr. Marcher indicated that a timeframe regarding the citation should be addressed. Ms. Ray said that a two-week window would be helpful in setting up the payment of the citation by Mr. Burger. Ms. Ray will send Mr. Burger a letter and then he will pay his citation.

KAREN CARMINE dba NATIONAL RECOVERY SERVICE was issued an unlicensed activity citation and withdrew her appeal on the citation issued and agreed to pay the fine. No further action was taken.

DAVID GOMES and DAVID DULL dba CODE III were issued an unlicensed activity citation number 04-068. Mr. Gomes and Mr. Dull requested an appeal hearing on the issuance of the citation.

Board Counsel Marcher began the hearing explaining the procedure, which included exhibits and two witnesses to be called.

Mr. Gomes stated that he had consulted an attorney and was advised that the NRS did not apply to the way Code III would be doing business. Ms. Ray's office issued Code III a cease and desist letter. Mr. Gomes called the office upon receipt of the letter. The citation addressed the fact that Code III was in business to protect transported items. Mr. Gomes denied that Code III protected transported items. He said he and Mr. Dull took bank deposits for Ashley Furniture to the bank three times a week and were paid \$180 a month (\$90 each) for that service. He said he and Mr. Dull were employees of Wes Jennings. They were later told that this procedure was improper.

Chairman Sandoval asked Mr. Marcher to present his case. Mr. Marcher stated there were three exhibits

1- citation

2- appeal signed by Mr. Gomes

3- background findings by Mr. Gomes with copies to be distributed to Board

Mr. Marcher swore in Ms. Ray as the first witness. Mr. Marcher asked Ms. Ray her title, which she stated was Executive Director of the Private Investigators Licensing Board. Mr. Marcher asked her how long she had been the executive director, to which she replied about 8 months. Ms. Ray was asked to identify

what she was holding and she said it was a file. Mr. Marcher asked if it was the file involving Code III Transport and she said that it was. Mr. Marcher asked if Ms. Ray recalled receiving a complaint regarding Code III and she said she did. She said the complaint was received last year (2004). He asked her in what form the complaint was made and she said it was an e-mail from Bob Spinetta, who worked for Loomis Fargo. Mr. Marcher asked what the e-mail said and Ms. Ray said Mr. Spinetta was informing her that Code III was providing armored transport services. Ms. Ray contacted Ashley Furniture to verify they were using Code III to make their bank deposits. Ms. Ray indicated she spoke with their controller, Ms. Solomon. Ms. Ray couldn't recall the exact timeframe between when she received Mr. Spinetta's e-mail and when she spoke with Ms. Solomon. She said it was probably soon after she read the e-mail. Ms. Ray stated that Ms. Solomon verified that Code III was transporting Ashley Furniture's deposits. Ms. Ray said she then contacted Mr. Gomes and Mr. Dull after her conversation with Ms. Solomon. She couldn't recall which person she called, but she did speak to one of them. Ms. Ray sent a cease and desist letter to Mr. Gomes and Mr. Dull. They responded by telling Ms. Ray they didn't think they had to be licensed. Ms. Ray said she sent the cease and desist letter on September 13, 2004. She received a reply on September 16, 2004. Exhibit 4 was the cease and desist letter and Exhibit 5 was the correspondence back to Ms. Ray by Mr. Gomes and Mr. Dull. Mr. Marcher allowed the Board a few moments to read the letter they had just received. Mr. Marcher asked if Ms. Ray had read the response sent by Mr. Gomes and Mr. Dull to the cease and desist letter and she said she had. He

asked her if her opinion changed regarding the activity of Mr. Gomes and Mr. Dull or her rationale in sending them a cease and desist letter. She said the correspondence had not changed her mind. Ms. Ray still felt they were doing a form of private patrol activity without a license. Mr. Marcher asked what Ms. Ray did next after receiving the correspondence. She stated that she referred the letter to Mr. Botello. Mr. Marcher asked her if she had contacted Mr. Jennings. Ms. Ray said he was licensed as Night Eagles Security. They discussed Mr. Gomes and Mr. Dull and their being employed by Mr. Jennings and being registered under his license. This conversation took place after the cease and desist letter was sent. Ms. Ray said Mr. Jennings was going to begin the process of registering Mr. Gomes and Mr. Dull. Mr. Jennings was going to fulfill the contract with respect to Ashley Furniture. The two employees would be required to obtain a work card through the county, would be required to take an exam, and would fill out necessary paperwork to become registered. Mr. Jennings would be responsible for the arrangements for the necessary exam. Ms. Ray said there was never any record received by the Board showing that Mr. Gomes or Mr. Dull had become registered employees. Mr. Marcher wanted to know at what point Ms. Ray referred the matter to Mr. Botello. Ms. Ray said she waited for the paperwork to arrive at her office. When it was clear that no paperwork was forthcoming and the services were still being performed by Mr. Gomes and Mr. Dull, the matter was then referred to Mr. Botello. Mr. Marcher asked how Ms. Ray knew the services were still being performed. Ms. Ray said she believed she learned the fact from Mr. Spinetta. Mr. Marcher had no further

questions of Ms. Ray at that time.

Mr. Gomes then asked Ms. Ray whose responsibility it would be to turn in the paperwork for Mr. Dull and him to become registered employees. Ms. Ray said the licensee was responsible. Mr. Gomes stated that the licensee would be Mr. Jennings. Mr. Gomes asked about the e-mail from Mr. Spinetta regarding an armored transport service and wanted to know whether or not Ms. Ray was aware that Mr. Gomes and Mr. Dull were not conducting an armored transport service. She said she was unaware of what type of vehicles Code III used. Mr. Gomes wanted to know, according to NRS 648.013, what specifically qualified him and Mr. Dull as needing to be licensed. Ms. Ray said she still felt they were protecting the deposits and it's a function of other licensed private patrol companies, such as Loomis Fargo, which was licensed in Nevada.

Mr. Gomes asked if Ms. Ray believed that if he were protecting a transport, he would need a uniform and armored car to do so. Ms. Ray said she didn't believe so.

Board Member Crate asked Ms. Ray that armored car companies were referenced under private patrolman regulations. If the license had been applied for, it would be for an armored car service, specifically and private patrolman, generally. Ms. Ray said it was so.

Board Member Gonzales asked for clarification from Mr. Gomes in reference to his statement that he was armed, but only for his own protection. Both Mr. Gomes and Mr. Dull were armed about 95% of the time.

Mr. Gomes asked Ms. Ray if she recalled conversing with Mr. Jennings on his cell phone; at that exact time, he and Mr. Dull were in the office with Mr. Jennings, filling out the proper paperwork and taking the exam to become employees. Ms. Ray said she did.

Mr. Marcher called Mr. Botello as the next witness. Mr. Botello stated his name and stated that he had been an investigator for the Private Investigator Licensing Board for 1 year and 2 months. Mr. Botello said he performed background checks and issued citations on unlicensed activity. Mr. Marcher asked if Mr. Botello issued a citation to Mr. Gomes and Mr. Dull. He said that he did. Mr. Marcher asked if Mr. Botello was holding a copy of the citation and Mr. Botello stated that he was. Mr. Marcher asked to whom the citation was issued and Mr. Botello said it was issued to Code III, and specifically to Mr. Gomes and Mr. Dull. Mr. Marcher asked Mr. Botello what was the relationship Mr. Gomes and Mr. Dull had with Code III. Mr. Botello said Mr. Gomes told him they were the owners. Mr. Marcher asked Mr. Botello if he was able to determine that Code III had some sort of business relationship with Ashley Furniture. Mr. Botello said they did. Mr. Marcher asked what the nature of the business relationship was. Mr. Botello said Ms. Solimon told him that Mr. Gomes and Mr. Dull were picking up and delivering money deposits to the bank for Ashley Furniture. She specifically said they were not using an armored car and weren't in uniform. They were using concealed weapons. Mr. Marcher asked Mr. Botello when he recalled having this conversation with the Ashley Furniture employee and he stated that it was on October 1, 2004. Mr. Marcher asked Mr. Botello if he contacted Mr. Gomes or

Mr. Dull after his conversation with the Ashley Furniture representative. Mr. Botello said he did speak by telephone. He then met with Mr. Gomes in person on January 27, 2005. Mr. Marcher asked Mr. Botello if they discussed the business relationship with Ashley Furniture, and Mr. Botello said they did. Mr. Marcher asked if Mr. Gomes provided any documentation with regards to contracts, and Mr. Botello stated he did.

Mr. Marcher entered the last exhibit, #6, which was the contract provided by Mr. Gomes to Mr. Botello. He asked Mr. Botello to verify the document was the contract, and Mr. Botello said it was. Mr. Marcher said he had no further exhibits. He asked Mr. Botello about the general nature of his meeting with Mr. Gomes after speaking with the representative from Ashley Furniture. Mr. Botello said it was a very pleasant conversation. Mr. Botello said he honestly believed that Mr. Gomes still believed he shouldn't be licensed because he didn't use an armored car. Mr. Botello explained to him that a license was required because of the transportation of deposits to the bank. Mr. Gomes mentioned his situation with Mr. Jennings. Mr. Jennings had said at one point he would take both Mr. Gomes and Mr. Dull on as employees, but then decided not to do so. Mr. Botello said that there had been conversations between Ms. Ray and Mr. Gomes. He had made two visits to Ashley Furniture Store. The first was October 1, 2004 where he met with Rose Solimon and explained the situation to her. After no paperwork was received at his office, he paid Ms. Solimon a second visit on January 26, 2005. Both times, Ms. Solimon was emphatic in telling Mr. Botello she didn't agree that Mr. Gomes and Mr. Dull should be licensed. She was very protective

of them. He felt both parties wanted to continue their business relationship. Mr. Marcher asked who Ashley Furniture was paying for their deposit service when the citation was issued in late January, 2005. Mr. Botello said they were paying Mr. Gomes. Mr. Marcher wanted to know if there was any indication that Ashley Furniture was paying Mr. Jennings, who was in turn paying Mr. Gomes and Mr. Dull. Mr. Botello said there was no indication of that. Mr. Marcher wanted to know, as Board Investigator, if there was anything received by Mr. Botello stating that they were registered employees of Mr. Jennings. Mr. Botello said there was not. Mr. Marcher said that they had been told in the cease and desist letter not to do the deposit activity. Mr. Marcher wanted Mr. Botello to explain why he felt their activity was performing the functions that fall under the category of private patrol; in other words, protecting money. Mr. Botello said they were performing a function for Ashley Furniture that formerly had been performed by Loomis Fargo; specifically, delivering deposits to the bank while carrying concealed weapons. Based on his conversations with Ms. Soliman, there was no doubt in Mr. Botello's mind they were providing a service to make sure the money got where it was supposed to go. Mr. Marcher asked Mr. Botello if, in his mind, they were performing a function that should be licensed, and he said they were. Mr. Gomes asked Mr. Botello whose responsibility it was to turn into the Board the proper paperwork to show that Mr. Gomes and Mr. Dull were registered employees. Mr. Botello said it would be Mr. Jennings. Mr. Gomes asked if Mr. Botello recalled telling him that he, Mr. Gomes, had little to worry about since he was being very cooperative and there were bigger fish to fry and Mr. Botello was

not too concerned about a couple of people making \$180 a month. Mr. Botello said he didn't remember the specific details, but he did remember the conversation was pleasant. He does remember trying to console Mr. Gomes because Mr. Gomes mentioned a work transition. He did mention that Mr. Gomes could appeal the citation. Mr. Gomes asked if, when Mr. Botello visited Rose Solimon at Ashley Furniture, she presented copies of Washoe County Sheriff cards to him showing Mr. Gomes' and Mr. Dull's names on them and Night Eagle Security. Mr. Botello said he did not see the cards. Mr. Gomes said he was arguing that he was not in the business of trying to protect the merchandise they transported. He wanted to know why Mr. Botello believed Code III was trying to protect the deposits. Mr. Botello said the biggest clue would be the concealed weapons. The next clue would be that Ashley Furniture Store terminated their contract with Loomis Fargo and contracted Code III to perform the same function. Mr. Botello said Mr. Gomes and Mr. Dull were concealing the deposits in a backpack. He said there would be no need to carry a concealed weapon to transport a deposit to a bank. Mr. Gomes asked Mr. Botello if he had a copy of the contract between Code III Transport and Ashley Furniture. Mr. Botello said he did not. Mr. Gomes asked Mr. Botello to be given a copy of the contract. He then asked Mr. Botello to point out on the contract where Mr. Gomes and Mr. Dull agreed to protect the merchandise with Ashley Furniture. Mr. Botello said the contract states that Code III agrees to provide services listed. Mr. Gomes asked Mr. Botello if anywhere on the contract it

states that Mr. Gomes and Mr. Dull agree to protect Ashley Furniture's property.

Mr. Botello said it did not.

Mr. Marcher asked Mr. Botello if, on the second page of the contract, Mr. Gomes and Mr. Dull as Code III Transport agreed to perform security services. Mr.

Botello said it did. Mr. Marcher asked that, when Mr. Botello issued the citation in January, if Mr. Gomes or Mr. Dull indicated they thought they were working as employees of Mr. Jennings. Mr. Botello said he did get the impression from Mr. Gomes that the two men would become registered employees of Mr. Jennings at some point.

Mr. Marcher said that, as of the January citation, the two men still were not registered employees for Mr. Jennings. Mr. Botello said he had a conversation with Mr. Jennings in which he specifically stated there were issues of integrity and he was no longer inclined to take on Mr. Gomes or Mr. Dull as employees.

Mr. Marcher asked Mr. Botello if, when the citation was issued in January, Mr. Gomes and Mr. Dull were laboring under the misconception that they were registered employees for Mr. Jennings and Mr. Botello said they were not.

Mr. Gomes asked Mr. Botello that, after being informed by Mr. Gomes and Mr. Dull that they were employees of Mr. Jennings's under Night Eagle Security, if he went to Washoe County to confirm they had a work card on file. Mr. Botello did not go to Washoe County to check the work cards. Mr. Botello said he didn't feel it was critical for him to check with Washoe County because the Private Investigators Licensing Board would have the information already if Mr. Gomes and Mr. Dull were actual registered employees. It was Mr. Botello's

understanding that they were not employed by Mr. Jennings. Mr. Botello also didn't believe it was critical to check with Washoe County before issuing a citation. Mr. Botello again stated that Mr. Gomes and Mr. Dull were not shown as registered employees with the PILB. Mr. Gomes wanted to know if it was a verbal confirmation from Mr. Jennings that they were not his employees. Mr. Gomes again said that Mr. Botello did nothing to investigate Mr. Gomes's and Mr. Dull's side of the story; they did fill out paperwork, they did turn in paperwork signed by Mr. Jennings to Washoe County, and were issued work permits under Night Eagles Security. Mr. Gomes said that he did show the work card to Mr. Botello, and he agreed he saw the card. Mr. Botello again stated he did not retrieve the information because if Mr. Gomes and Mr. Dull were working for a private patrol company or a private security firm (in this case, Night Eagles Security), the Private Investigators Licensing Board would have all the information on file, as they would be registered employees. Mr. Botello said there was no information on the two men at the PILB, they were not registered and there was no contract. Board Member Nadeau asked Mr. Botello if Ashley Furniture was paying Code III or Mr. Gomes to transport deposits. Mr. Botello said, as he recalled, Mr. Solimon said she was paying Mr. Gomes for the transport. Board Member Nadeau asked if Mr. Gomes and Mr. Dull supplied Mr. Botello with any pay stubs or other documentation showing they were being paid by Mr. Jennings, and Mr. Botello said they did not. Board Member Nadeau said that Mr. Gomes stated he owned a corporation and asked if they were licensed, to which Mr. Botello replied they

were not. Board Member Nadeau asked if they were licensed with the Secretary of State and Mr. Botello believed they were not.

Board Member Crate asked for clarification to understand the chronology of events. The understanding at the time of the cease and desist order was that the gentlemen were to be put on the payroll at Night Eagle Security. He stated that Mr. Botello didn't receive documentation showing that Mr. Gomes and Mr. Dull were registered employees and then revisited Ashley Furniture. The status of the gentlemen according to Ashley Furniture was they were working for Mr. Jennings. Mr. Botello said that was correct. Board Member Crate said that Ashley Furniture said they paid Mr. Gomes. Mr. Botello agreed. Board Member Crate said Mr. Harrell then contacted Mr. Gomes, telling him he was no longer to make the deposits for Ashley Furniture. Mr. Botello said that's what Mr. Harrell said he was going to do. Board Member Crate then stated that Mr. Botello followed up with Mr. Gomes, who produced the work cards. Board Member Crate asked if anyone made reference to any business relationship established between Ashley Furniture and Night Eagle Security, to which Mr. Botello said there was not. Board Member Crate said all indications were that there was still a contract between Code III Transport and Ashley Furniture, to which Mr. Botello agreed. Board Member Crate asked if Mr. Jennings indicated that Mr. Gomes and Mr. Dull were his employees, and Mr. Botello said he never indicated they were his employees. Board Member Crate read from the citation where it stated that Mr. Jennings agreed to have them (Gomes and Dull) work for him and instructed them to complete the Description (of Registered Employee forms) and

told them to forward them to this Office. Board Member Crate said that apparently Mr. Jennings had signed off on the forms in order for them to be issued the work cards, but then Mr. Jennings stated he would no longer hire them. Board Member Crate said there may be a separate issue with Mr. Jennings as far as the registration process. Mr. Botello agreed.

Mr. Botello stepped down and Mr. Marcher said he had no further evidence to present at this time concerning the citation.

Chairman Sandoval asked Mr. Gomes if he had any witnesses he would like to call to present evidence, and he said he did not.

Mr. Gomes said he wished to clarify a few issues. Mr. Gomes said the work card issued to him by Washoe County showed he was an employee of Night Eagle Security and there was paperwork signed by Mr. Jennings. He said the fact presented that he had never worked for Mr. Jennings was hard for him to understand as being an issue. He said he could not answer why the proper paperwork was not turned in and that question should be presented to Mr. Jennings. He didn't feel it was his responsibility to turn in the paperwork, since they had filled out in the presence of Mr. Jennings and relied on him to do what was necessary for them to become registered employees. Mr. Gomes said that the second page of the contract was not signed for them to perform security services because it was their agreement with Mr. Jennings that to provide the services would violate the NRS, so that business was given to Mr. Jennings. He should have a contract between him and Ashley Furniture to provide them with that security service. There were two cases where Mr. Jennings did not provide

employees to take care of the security services where Mr. Gomes did it for him without pay in order to honor the agreement. Mr. Gomes also wanted to present that it was their agreement with Mr. Jennings that Ashley Furniture would continue to write checks payable to Code III Transport of which \$90.00 a piece would go to Mr. Gomes and Mr. Dull for providing the service for them. Mr. Jennings was to take over the security portion of Ashley Furniture. As the qualifying agent, if the agreement was against the rules, Mr. Gomes stated they relied on Mr. Jennings to make the call. Mr. Gomes stated that this was the verbal agreement between Mr. Jennings and Code III.

Board Member Gonzales asked if Mr. Gomes or Mr. Dull had received any payment from Mr. Jennings, to which he replied they had received none. He also asked that if payments were made by Ashley Furniture to Mr. Gomes if he made a percent payment to Night Eagles Security. Mr. Gomes said no money was transacted between Mr. Jennings and Mr. Gomes. Mr. Gomes said he obtained business that he handed over to Mr. Jennings to perform as per their agreement. Mr. Gomes said that the security portion for Ashley Furniture would do cash and carry and wanted armed security present during those sales. Mr. Jennings was to handle that part of the business. Mr. Gomes said the relationship with Mr. Jennings was dissolved due to the fact that Mr. Jennings failed to fulfill the obligations to Ashley Furniture. Mr. Gomes and Mr. Dull had a good working relationship with Ashley Furniture. He said Mr. Jennings disrupted the service by not calling or showing up to perform the services for Ashley Furniture. Mr. Gomes said he had to be the mediator between Ashley Furniture and Mr.

Jennings to resolve the situation between them. Based on this problem and integrity issues with Mr. Jennings, Mr. Gomes and Mr. Dull decided they were not going to merge businesses with him. Working for him as employees was a temporary solution in order to service the customer.

Board Member Gonzales stated that looking at the contracts there are actually two separate agreements. One was for security service typed up by Mr. Gomes. He agreed he had typed and didn't remember if he had signed it. Board Member Gonzales asked if Mr. Gomes had typed the agreement before receiving the cease and desist order and he said he had. Board Member Gonzales asked if he realized that the rate scale shown was Monday-Friday, \$22.00 per hour for armed, uniformed officers. It didn't say anything about carrying a book bag and a concealed weapon. The document stated armed, uniformed officers. He asked Mr. Gomes if that sounded like an armored car business and Mr. Gomes said that was actually a security service. Mr. Gomes further stated that part of the business was given to Mr. Jennings.

Board Member Gonzales asked Mr. Gomes about his prior experience with an armored car business and Mr. Gomes stated that it was with Loomis Fargo. He worked for them for five years and Mr. Dull worked for Loomis for three years. Board Member Gonzales asked if they were both driver/guards and they said they were. He asked them if they were armed, had a vehicle, a concealed weapon, had to be qualified to drive the vehicle and a background check had been done to do so. He said they could not have been totally uninformed as to what services are provided. They agreed. He also stated Mr. Gomes and Mr. Dull

were considering going out in the business on their own. Mr. Gomes said they were going to perform the business in a different way. He said they had no uniform and no visible gun. Board Member Gonzales said uniformed officer appeared in the contract. Mr. Gomes said that was for the security service on Page 2, which was not referring to work done by Mr. Gomes and Mr. Dull. Mr. Gomes said the first page of the contract referred to the work he and Mr. Dull would be doing. The second page was the work to be done by Mr. Jennings. Board Member Gonzales asked what services Mr. Gomes and Mr. Dull were to provide. Mr. Gomes said they picked up the deposits and took them to Bank of the West to place in the night drop. Mr. Gomes said they had no uniforms. Board Member Gonzales asked them if they were armed 90% of the time, to which Mr. Gomes agreed. Mr. Gomes said it was the standard concealed weapons permit they had prior to engaging in business with Ashley Furniture. Mr. Gomes said it was never agreed upon with Ashley Furniture that they would be transporting their deposits armed. He said they were armed on their own accord for their own protection.

Board Member Crate asked what reason was given to Washoe County for their need of a concealed weapons permit. Mr. Gomes said he was an ex-police officer and there are times he might personally need a concealed weapon. Board Member Crate asked if they relied on that explanation to use a concealed weapon to make the deposits for Ashley Furniture. Mr. Gomes said they did not rely on the concealed weapons permit for making the deposits for Ashley Furniture, but for their own personal protection.

Board Member Crate asked what date was shown on the work card. Mr. Gomes said it was weird that the date of issue shown was actually 11-4-1999 because the work card shows the actual date of issue and Washoe County just continued using that same date with a different employer. The date of issue basically shows the date he first applied for the card when he was employed by Loomis Fargo. Board Member Crate asked if Mr. Gomes kept a copy of the registration form. Mr. Gomes said he did not. Board Member Crate asked if Mr. Gomes had received any direct compensation from Mr. Jennings and he said he had not. He asked if Mr. Gomes had any kind of written agreement with Mr. Jennings regarding the proceeds from Ashley Furniture. Mr. Gomes said it was a verbal agreement. He asked if Mr. Gomes considered himself employed by Mr. Jennings, and he said he did. Mr. Gomes said at times Mr. Jennings would call him to cover Ashley Warehouse sales. Mr. Gomes said their agreement was that he would not be compensated for that work because he and Mr. Dull were still collecting the \$180 per month. He was covering the work for Mr. Jennings as a courtesy to him, since Mr. Jennings held the private patrolman's license. Board Member Crate asked Mr. Gomes if he was saying the citation should be rescinded because what Mr. Gomes and Mr. Dull were doing was not armored car work or because what they were doing was covered under the employer/employee relationship. Mr. Gomes said he thought they were covered under the employer/employee relationship and, after receiving the cease and desist order they made the arrangements to keep serving their customer with Mr. Jennings. Board Member Crate said that, even though they had no employment

agreement with Mr. Jennings and received no compensation from him, and even though the compensation they did receive was from Ashley Furniture to Code III, they still believed they were employees of Mr. Jennings, to which Mr. Gomes said he did believe he was Mr. Jennings's employee. Mr. Gomes said that was what Mr. Jennings had agreed upon. Board Member Crate said Mr. Gomes and Mr. Dull were the ones admonished with the cease and desist letter for doing business as Code III. He said they continued to receive compensation as Code III as opposed to themselves as individuals, to which Mr. Gomes agreed. He asked Mr. Gomes if he believed it was his responsibility to figure out what to do to remedy the situation that brought on the cease and desist letter. Mr. Gomes said Mr. Jennings was going to speak with Ms. Ray regarding the compensation set up. Mr. Gomes didn't believe the issue was with how they were compensated, but that the issue of whether or not they were registered employees. Board Member Crate asked if, at some point, they needed to be licensed in order to provide transport for the securities, checks, and deposits. Mr. Gomes said not by what information was given by the Private Investigators Licensing Board; he said he was told he needed to be licensed if he was protecting property and Mr. Gomes said he didn't know anybody in his right mind who would try to protect property being transported. He said that Loomis Fargo guides its employees that, if they are robbed, to give up the money willingly and walk away. Board Member Crate asked if they believed themselves to be employed by Mr. Jennings for the purpose of conducting those transports or for those times when they acted as armed officers. He asked if they believed they

had an agreement that Mr. Jennings would consider them employees if they would give him this piece of business. Mr. Gomes said that they would be considered employees if they gave him a part of the business and they would keep the other portion of the business.

Board Member Nadeau asked if they still have a concealed weapon permit from Washoe County. He also asked if they have a business license, to which Mr. Gomes said they had a standard Reno business license. He then asked to see the work permit. Mr. Gomes said they were bonded and insured. Board Member Nadeau asked what they indicated the business would be and Mr. Gomes said it was transportation. Board Member Nadeau asked if they had an LLC license and Mr. Gomes said they did not. He said they were getting ready to form an LLC. He said that they held off on getting the LLC while working with Mr. Jennings to merge the two companies. Mr. Gomes said they had a Secretary of State taxation license doing business as Code III Transport and in Washoe County doing business as Code III Transport. Board Member Nadeau asked Mr. Gomes to clarify the agreement between Code III Transport and Mr. Jennings regarding the fact that Mr. Gomes and Mr. Dull would provide security when Mr. Jennings was unable to do so. Mr. Gomes said that was not part of the agreement, but as a courtesy to Mr. Jennings when he could not fulfill his commitment to Ashley Furniture, Mr. Gomes worked a couple of Saturdays and he performed the work himself. Board Member Nadeau asked Mr. Gomes if he worked as a security guard on his own dime and Mr. Jennings collected the money, to which Mr. Gomes agreed. Board Member Nadeau asked if there was

any proof relating to Mr. Jennings, such as pay stubs, FICA, Social Security, Medicare, any documentation from the IRS on those earnings that Mr. Gomes and Mr. Dull were his employees. Mr. Gomes said he did not have such proof. Board Member Nadeau asked where Mr. Jennings was and Mr. Gomes said he chose not to bring him to the Board meeting, since their relationship during the time of the citation has been dissolved. Board Member Nadeau said that Mr. Gomes was saying that Mr. Jennings was his employee and was responsible for the business problems, but Mr. Jennings wasn't present to substantiate any of Mr. Gomes statements. Mr. Gomes thought that his ID and the paperwork he and Mr. Dull filled out for Mr. Jennings would be sufficient. Board Member Nadeau asked if Mr. Gomes had a copy of that paperwork, which he said he did not. Board Member Nadeau asked where Mr. Gomes had been a police officer, to which he replied Carson City. Board Member Nadeau stated that Mr. Gomes was expecting the Board to accept his statements without any substantiation or proof and rely on his word. Mr. Gomes said he expected that once he provided the information to Mr. Botello that he would look into all the facts. Board Member Nadeau stated that Mr. Gomes had no documentation to back up his statements. Board Member Nadeau asked , when Mr. Gomes worked for Loomis Fargo, if he delivered or picked up deposits for Ashley Furniture, to which Mr. Gomes said, he did not.

Chairman Sandoval said everything has been covered that he would ask. There was a statement in the investigative report which said Mr. Gomes told Mr. Botello on January 27, 2005 that he was working for Mr. Jennings, that neither Mr.

Gomes nor Mr. Dull were registered employees, and that Mr. Gomes had mailed the forms himself. Mr. Gomes said it was asked of him by Mr. Jennings, but he did not mail the forms. Chairman Sandoval asked if Mr. Gomes was in the transportation business now, to which Mr. Gomes said since they had been issued the citation, they have not done business. Chairman Sandoval asked Mr. Gomes to clarify what Ashley Furniture's expectation was. Mr. Gomes said 99% of the time he was transporting checks and money orders. He never wanted to exceed his liability insurance of \$25,000. Most of the time, he transported very little cash. Chairman Sandoval said the transport was definitely of value to Ashley Furniture. Chairman Sandoval asked if Mr. Gomes had told Ashley Furniture that if someone stepped up to him and asked him for the deposit bag, he would give it to them; Mr. Gomes said he would give the deposit away "in a heartbeat" and that is why he carried insurance. He said he would never risk himself to protect a deposit. Chairman Sandoval asked how Mr. Gomes came in contact with Ashley Furniture to perform the service. Mr. Gomes said he was working for Wells Fargo Bank as a business banker and a friend there told Mr. Gomes that Ashley Furniture was interested in finding someone to transport their deposits and possibly cover warehouse sales. He then said he would perform the service for them. Chairman Sandoval asked if Mr. Gomes told Ashley Furniture he could do the work for them cheaper than Loomis Fargo. Mr. Gomes said he could do it for half the price; no overheard, no uniforms, no armored car, no visible sidearm. Chairman Sandoval asked Mr. Gomes if Mr. Jennings carried any workmen's compensation insurance for them, to which Mr. Gomes said he did not know. Mr.

Gomes said they filled out the W-2's and other paperwork that Mr. Jennings asked them to fill out. Chairman Sandoval asked about the "falling out" which occurred concerning Mr. Jennings, Mr. Gomes and Mr. Dull. Mr. Gomes said the falling out was when Mr. Jennings failed to carry out the security service for Ashley Furniture during the warehouse sale. Ashley Furniture complained to Mr. Gomes and when he tried to resolve the issue with Mr. Jennings, he was not cooperative. Mr. Gomes questioned Mr. Jennings's integrity. Chairman Sandoval said the last contract was between Code III and Ashley Furniture, but, in reality, Mr. Gomes was saying the services were to be performed by Mr. Jennings. Mr. Gomes said that was correct. Mr. Gomes said all the information on the contract came from Mr. Jennings. Chairman Sandoval asked why there was no reference to Mr. Jennings or Night Eagle Services. Mr. Gomes said Mr. Jennings actually decided to do his own contract. If there was an investigation there would be contracts on file with Ashley Furniture and Night Eagle Security. He again stated he didn't have access to the documents since the relationship had ended. Mr. Gomes said that since the contract was unsigned, it was not signed by Ashley Furniture, it was not legal.

Board Member Crate asked Mr. Gomes when it was that he believed he started working for Night Eagles Security. Mr. Gomes said he couldn't give the exact date, but approximately at the end of September or the beginning of October, 2004. There was a period of time when they did not conduct business until the proper paperwork was filled out. Board Member Crate asked when the falling out occurred with Mr. Jennings and Mr. Gomes said December, 2004 or January,

2005. Board Member Crate asked for a period of time they continued to supply service to Ashley Furniture after the falling out. Mr. Gomes said they did not provide the service at that point because they had received the citation. Board Member Crate asked when the work card was updated to Night Eagle Security and Mr. Gomes said it was the next day after they filled out the paperwork with Mr. Jennings. Board Member Crate mentioned the date on the card was dated prior to the Night Eagles Security job, but the card did belong to Mr. Gomes. Mr. Gomes said it was his card and that new employers provide Washoe County with new information so the employer name can be changed on the card. Board Member Crate stated that the card expired November 11, 2004, and wanted to know whose responsibility it was to be renewed. Mr. Gomes said when he was employed with Loomis, they would give the employees a renewal notice and money orders to renew the cards. Board Member Crate again asked Mr. Gomes whose responsibility it was to renew the work cards. Mr. Gomes said he believed it was the responsibility of the employer to make sure the cards are properly renewed. Board Member Crate said it was Mr. Gomes's card, to which he agreed. Board Member Crate asked if Mr. Gomes had brought this to anyone's attention that his card had expired. Mr. Gomes said he did not do so because he did not realize the card had expired. Board Member Crate asked if Mr. Gomes thought it was a concern for Mr. Jennings, also. Mr. Gomes said he and Mr. Jennings never discussed the work cards. Mr. Gomes said there was so much going on during November that, even if the expired work card had been brought to his attention, he would not have paid money to renew it since the job with Mr.

Jennings was uncertain. Board Member Crate again asked if Mr. Gomes was aware of the expired card, and Mr. Gomes denied that he was aware of the expiration.

Board Counsel Marcher made a closing statement. He said briefly that the evidence presented showed that the activities and the functions that were being performed by Code III Transport at the time would certainly meet the definition of private patrol. They were told they needed to stop the activity and they needed a license, were given an opportunity to become licensed, which did not occur. The relationship with Mr. Jennings, based on the testimony, did not sound like a viable legal employer/employee relationship and there was no paperwork to show that. More importantly, money was being paid directly to Mr. Gomes and Mr. Dull for services provided to Ashley Furniture. Based on everything heard, Mr. Marcher recommended the Board uphold the issuance of the citation. Also, Mr. Marcher pointed out to the Board that, according to NRS 233B, they had the option to apply hearing costs to Mr. Gomes and Mr. Dull, since the issuance of the citation would be upheld. Mr. Marcher said he was not necessarily recommending the Board do so, but was merely pointing out the option was available to them.

In closing, Mr. Gomes stated that he did consult with an attorney and friends in law enforcement and was advised that the way he and Mr. Dull. were conducting business did not require a license. When the need for a license was brought to his attention by Ms. Ray and Mr. Botello, he said they did try to comply by trying to go into partnership with Mr. Jennings. They filled out the proper paperwork, got

their sheriff's cards, and wanted to comply. Mr. Gomes said he sent the \$75.00 fee and had the whole package to become licensed by the Board, but did not continue due to the circumstances with Mr. Jennings and the citation. Mr. Gomes said he and Mr. Dull relied solely on Mr. Jennings to be the knowledgeable person as the qualified agent. He said they relied on Mr. Jennings to make sure business was done properly. He said Mr. Jennings had all their paperwork. He further stated that he believed that Mr. Botello should have subpoenaed Washoe County to receive necessary records to prove the paperwork had been completed and that he and Mr. Dull were employees for Mr. Jennings. Mr. Dull said they did their best to comply to try to do business properly. Board Member Gonzales said that Mr. Gomes and Mr. Dull were former employees of Loomis Fargo and wanted to know if Ashley Furniture was a client at that time. Mr. Gomes said Ashley Furniture was not located in Reno at that time and clarified that he became acquainted with them while he was working at Wells Fargo Bank. Board Member Gonzales asked if both men were familiar with what Loomis Fargo did, since they had worked there for three and five years. He said the two men must have been familiar with the procedure to become driver guards and that Loomis Fargo had to comply with licensing in order to hire them as employees. Yet, the two men had the expectation that they could take over a contract and perform the same service, transporting money from Point A to Point B, regardless of whether they used an armored car or guns. They offered a similar service to Ashley Furniture for a lower cost.

Board Member Crate said Mr. Gomes and Mr. Dull both carried weapons in the anticipation that there might be a need for them. Mr. Gomes said weapons were carried to protect themselves. Board Member Crate asked what event might happen where the weapons might be needed. Mr. Gomes said they carried weapons in the event that someone would actually take the money from them and to actually prevent the person from harming either Mr. Gomes or Mr. Dull. Board Member Crate asked if, in the unhappy event that a firefight actually occurred, and Mr. Gomes or Mr. Dull had been injured, who the responsible party would have been for the treatment of the injury. Mr. Gomes said the insurance group Mr. Jennings used for his business would be responsible. Board Member Crate asked which would be responsible, the insurance that Mr. Gomes was providing to Ashley Furniture or that of Mr. Jennings. Mr. Gomes said if they were employed by Mr. Jennings, then his insurance would be responsible. Mr. Gomes again stated that he would never protect the money, just himself. Board Member Crate asked Mr. Gomes whether or not Mr. Jennings ever established another contract with Ashley Furniture for the transport service. Mr. Gomes said he did not. Board Member Crate said Mr. Jennings never generated a certificate of insurance for the transport service and Mr. Gomes agreed. Board Member Crate asked if Mr. Gomes had ever cancelled his insurance, to which Mr. Gomes stated that, as it had been pre-paid for the year, there was no reason to cancel it.

Chairman Sandoval asked for any further discussion. Board Member Nadeau motioned to uphold the citation. Board Member Crate seconded the motion.

Board Member Nadeau said that he believed that Mr. Gomes and Mr. Dull embarked on a business venture. When they learned they were in over their heads, they indicated to us they were employed by Mr. Jennings. They provided no documentation to support their claim of employment and no W-2's showing their employment with Mr. Jennings. Board Member Nadeau said there was no evidence presented to the contrary and the citation should be upheld. He said, regardless of how Mr. Gomes and Mr. Dull tried to define their business, they were still doing an armored car business.

Board Member Crate said the situation brought up concerns about the integrity of Mr. Jennings and his compliance with state statutes. He said the comments made and evidence offered would be pursued by staff as to Mr. Jennings's participation. Ms. Ray said she would follow up on Board Member Crate's comment.

Chairman Sandoval asked the Board if they wished to pursue the option Mr. Marcher stated about assessing Mr. Gomes and Mr. Dull for the cost of the hearing. Board Member Nadeau said that \$180 a month for twelve months was exceeded by the amount of the fine, so the fine was sufficient and the Board would not be assessing Mr. Gomes and Mr. Dull for hearing costs.

The motion was passed unanimously.

Chairman Sandoval asked if anyone was present for Agenda Item #18, COMPUTER FORENSIC EVIDENCE SOLUTIONS, INC, and no one came forward.

PUBLIC COMMENT

Chairman Sandoval asked if any member of the public wished to make a comment or if anyone in the Las Vegas office wished to comment to the Board.

No one came forward, and the public comment portion was closed.

Agenda Item #18, COMPUTER FORENSIC EVIDENCE SOLUTIONS, INC, was put on hold since no one was present for that item and no action was taken.

Chairman Sandoval called for the meeting to be adjourned.