

MINUTES

ASSEMBLY COMMERCE COMMITTEE

April 15, 1977

MEMBERS PRESENT

Chairman Harmon
Vice Chairman Mello
Mr. Barengo
Mr. Demers
Mrs. Hayes
Mr. Moody
Mr. Sena
Mr. Weise
Mr. Price

GUESTS PRESENT

See Guest List Attached

The meeting was called to order by Chairman Harmon at 3:15 p.m. He announced that the Committee would break down into sub-committees as Mr. Weise was holding a hearing on A.B. 475 in Room 222.

Chairman Harmon said the first bill to be discussed would be A.B. 473 and turned the meeting over to Vice Chairman Mello.

Mr. Bill Briare, Mayor of Las Vegas, stated that a number of people have come to this meeting with the expectation that A.B. 473 would be discussed and that they could offer enough testimony in favor of an amendment to the bill which would encourage the Committee to take Do Pass action on the bill as amended.

Mr. Briare inquired of Mr. Mello what the pleasure of the sub-committee might be in terms of receiving both testimony from the proponents and testimony from any opposition to the bill, and what action might be taken following that in the hope that some kind of legislation might come out of this session before adjournment.

Mr. Mello replied that he was required to be in a meeting of Ways and Means and that he would appoint a subcommittee consisting of the Commerce Committee members present to be chaired by Mr. Demers to hear all the bills on the agenda.

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Mr. Demers informed Mr. Briare that the subcommittee would take the testimony of those who were present for the purpose of making a recommendation to the whole committee. Mr. Demers further stated that he had been advised that some people who were in opposition to A.B. 473 were not able to be present for this meeting and it was possible another hearing might be scheduled for sometime next week.

Mr. Briare inquired of Mr. Demers if, in his judgment, he would expect that if opposition were heard next week that a bill could come out of this committee, be passed by the Assembly, go to the Senate for hearing and possibly have any chance of passage this session. Mr. Demers replied that it would depend upon testimony given, the length of the amendments, the purpose of the amendments offered by both sides for the intention of having a bill that would be constitutional and legal, and that the subcommittee can only make recommendations to the entire Committee.

Mr. Briare said that the governing body of the City of Las Vegas had been interested in A.B. 473 since 1973. There are witnesses present who will give testimony for an amended bill which will do what A.B. 473 originally intended. Mr. Briare stressed that jam auctions are doing great damage to the tourist industry in Las Vegas. They receive letters of complaint daily as does the Chamber of Commerce, the Better Business Bureau and the Consumer Affairs Division of the City Attorney's office. The City of Las Vegas needs help by the passage of a state act. Mr. Briare read excerpts from two letters to set the tone of what all the letters are about. Mr. Briare urged that legislation be passed to enable the City of Las Vegas to draw ordinances which would prevent tourists from being ripped off in a manner which reflects derogatorily on the city and state.

Mr. Carl E. Lovell, City Attorney for Las Vegas, presented their requested amendment to A.B. 473 (Exhibit 1). Mr. Lovell explained that in various states there has been traditionally laws on a state level regarding auctions and auctioneering, but Nevada does not and has not had such a law. In states such as Nevada, California, New Jersey and Florida that attract tourists, there is a type of business which is called a mock auction, a jam auction or a retail demonstration sales type of business. These businesses came to Las Vegas in May and June of 1973 and an ordinance was drafted to handle this particular type of business. Mr. Lovell described how such auctions operate.

The City of Las Vegas feels it is now time to have initial legislation by the state regarding auctioneering insofar as a uniform definition of auctioneering and some minimal regulations or conditions. Local governments would then be allowed to put further restrictive conditions on for their particular conditions.

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Mr. Lovell expressed his opinion that A.B. 473 is unconstitutional and that is why they are requesting the amendment, Exhibit 1. Judge Wendell, in the 8th Judicial Court in Las Vegas, has declared A.B. 473 unconstitutional since it is almost identical to a city ordinance which Las Vegas wrote. Because it attempts to deal directly with retail sales business, Judge Wendell felt that it was arbitrary, discriminatory and denial of equal protection. Mr. Lovell explained the proposed amendment and how it would correct the situation.

Mr. Lovell requested that the amendment be recommended and adopted as soon as possible in view of the anticipated closing of the session, and asked if it could be ready by next Wednesday if there is to be another hearing. Mr. Demers said he would discuss it with the Chairman of the Committee on Sunday, April 17.

The next speaker in support of A.B. 473 was Carole Vilardo, President of the Retail Merchants Bureau of the Las Vegas Chamber of Commerce and Vice President of the State Retail Association. Ms. Vilardo submitted a packet of letters of complaint which had been received by the Merchants Bureau (Exhibit 2). She also presented a column by Dick Odessky, Valley Times, of April 15, 1977 (Exhibit 3) which describes the jam auctions. These auctions give the other retail merchants a bad name and they sincerely support A.B. 473. Ms. Vilardo also requested that Mr. Lovell's amendments be adopted.

Roger Peacock, Consumer Business Affairs analyst in the City Attorney's office in Las Vegas, held up for exhibit two huge files of complaint letters from people who had attended the jam auctions, and said these files represented only a few of the letters received in his office. These do not reflect the complaints received in the State Consumer Affairs office. Mr. Peacock will prepare a written statement containing some of the remarks contained in the letters.

Mrs. Hayes expressed concern that other auctions throughout the state would have problems if this bill is passed. Mr. Lovell did not think this would happen as legitimate auctions have been operating under local ordinances. If this bill is passed as amended, all auctions would have to meet the same criteria.

Mr. Briare again urged the committee to get the amendment printed and give it a chance to get before both houses because if it dies they are going to have a serious problem on their hands for the next 2 years. Mrs. Hayes questioned Mr. Briare why the bill was not introduced sooner. Mr. Briare said he didn't know who introduced the bill. It was stated that Mr. Harmon introduced the bill as he did last session.

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There was no testimony in opposition to A.B. 473.

Senate Bill 313

Lester O. Goddard, Commissioner of Savings Associations, appeared in support of S.B. 313. He is in charge of the licensing and supervision of mortgage companies which this bill is directed to. This is a technical bill and reduces the load on the mortgage companies who are licensed and assists them.

Bob Bowers, Nevada Association of Realtors, stated that they support S.B. 313.

Barry Becker, Nevada State Home Builders Association, requested that the amendment he had requested on A.B. 432 on April 6, 1977, be placed on S.B. 313. Mr. Goddard said he was not opposed to this, but he was not sure the amendment was applicable to S.B. 313 and it did not belong under 645B. Mr. Becker said they found out about FHA's graduated payment program so late in the session that unless this is put on some bill Nevada will lose the program for the next two years.

Mr. Demers said the Committee would check with legal counsel to see if the amendment could legally be added to S.B. 313.

Senate Bill 308

Bill Cozart, representing the Nevada Association of Realtors, stated that this bill is aimed at increasing the knowledge and proficiency of the real estate licensees in Nevada so that they may serve the public better. The Senate amended the bill in such a way that it does cause some problems, according to Mr. Cozart. He submitted amendments (Exhibit 4) which the Association recommends.

Angus McLeod, Administrator of the Real Estate Division, Department of Commerce, said there was one more amendment which should be requested as follows: Page 2, Line 7, the word "commissioner" should read "administrator". This was an error in drafting. Mr. McLeod stated they also support S.B. 308 with amendments as submitted by Mr. Cozart.

Mr. Robert Bowers, Nevada Association of Realtors, presented a copy of the testimony which he gave before the Senate (Exhibit 5).

Senate Bill 255

There was no testimony in favor of S.B. 255.

Bill Cozart, again representing the Nevada Association of Realtors, stated they were strongly opposed to the bill. A copy of Mr. Cozart's testimony is attached as Exhibit 6.

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Senate Bill 109

Mr. George Ciapusci, State Farm Insurance Company, offered the following amendment to S.B. 109 which has been discussed with the author, Senator Sherrin, who is in favor of it. The amendment has also been discussed with the Insurance Department. The amendment was not submitted in the Senate.

Amendment: On line 34, page 2, after the word "Nevada", the following wording be inserted, "for payment of claims under the provisions of NRS 698.390."

Assembly Bill 642

Dick Rottman, Insurance Commissioner, stated that A.B. 642 is an excellent consumer oriented bill and they are in favor of it.

Also in support of A.B. 642 were Kay Lockhart, Nevada Independent Insurance Agents, and Dave Byington, Ohio State Life Underwriters Association.

There was no testimony in opposition to A.B. 642.

Assembly Bill 598

Preston E. Tidvall, Superintendent of Banks, stated this is commonly called "the money order bill" and they are in support of it. This is a bill to protect the people. Mr. Tidvall gave various statistics covering firms who wrote money orders.

Assembly Bill 620

Virgil Anderson, Triple A, stated this is a noncontroversial bill with broad base support, the trial lawyers, the Insurance Commissioner and insurance agents. Mr. Anderson presented amendments which they request. (Exhibit 7)

George Ciapusci, State Farm Insurance Company; Richard R. Garrod, Farmers Insurance Group; and Kay Lockhart, Independent Insurance Agents, all supported Mr. Anderson's statements and support the bill.

The meeting was adjourned at 4:45 p.m.

Respectfully submitted,

Jane Dunne
Assembly Attache

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. Title 52 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections _____ to _____, inclusive, of this act.

[SEC. 2. As used in this chapter, unless the context otherwise requires: "Retail demonstration sale" means the selling of merchandise belonging to the seller or held for disposition on his own account as a business with the general public which is carried on by the solicitation of bids in a limited or controlled manner.]

SEC. 2. LEGISLATIVE INTENT. IT IS HEREBY DECLARED AS A MATTER OF THE LEGISLATIVE INTENT AND PURPOSE OF THE STATE OF NEVADA THAT:

(1) AUCTIONS, AUCTIONEERS, AUCTIONEERING AND BUSINESSES REFERRED TO OR LICENSED AS JAM AUCTIONS OR RETAIL DEMONSTRATION SALES BUSINESSES ARE ALL BY THEIR NATURE A FORM OF AUCTIONEERING;

(2) THE LEGISLATURE HAS FOUND THAT THE METHODS OF OPERATION OF SOME FORMS OF AUCTIONEERING LEND THEMSELVES TO AND RELY UPON SUBTLE PSYCHOLOGICAL SELLING TECHNIQUES AND PROCEDURES WHICH UNDULY INFLUENCE OR CAUSE SALES TO OCCUR TO NOT ONLY LOCAL RESIDENTS BUT TO THE VAST NUMBERS OF TOURISTS WHO, BY THE VERY NATURE OF BEING TOURISTS, ARE PSYCHOLOGICALLY IN OFTEN RELAXED AND IN VACATIONING ATTITUDES WHICH CAN BE PLAYED UPON INTO ACHIEVING SALES OF MERCHANDISE NOT NECESSARILY DESIRED;

(3) SUCH TOURISTS AND RESIDENTS HAVE, AFTER LEAVING SUCH AUCTIONEERING ESTABLISHMENTS, AND THEIR ENVIRONMENT, REALIZED THEIR PURPOSELESS PURCHASE AND ACTS;

(4) THE LEGISLATURE FINDS THAT SUCH BUSINESSES, THEIR OPERATION AND RESULTS, ARE ALL TOO OFTEN A SOURCE OF IRRITATION, NEGATIVE REGARD FOR AND PRODUCTIVE OF DETRIMENTAL FEELINGS TOWARD THIS STATE, WHICH IN LARGE PART IS DIRECTLY DEPENDENT UPON TOURISM;

(5) THE LEGISLATURE THEREFOR FINDS THAT SUCH BUSINESSES OF AUCTIONEERING REQUIRE REGULATION IN THE INTEREST OF THE CONSUMER, THE STATE AND THE GENERAL NATURE OF TRADE POLICY, TO INSURE THAT THE INTERESTS OF ALL SHALL BE MAINTAINED.

SEC. 3. THESE TERMS ARE SO DEFINED:

(A) THE TERMS "AUCTION", "AUCTION SALE", "JAM AUCTION" OR "RETAIL DEMONSTRATION SALE" ARE HEREBY ALL CONSIDERED AND DEFINED AS "AUCTIONEERING", UNLESS THE CONTEXT OTHERWISE REQUIRES.

Exhibit 1

(B) "AUCTIONEERING" MEANS A SALE OF PROPERTY (1) EITHER BY PUBLIC OUTCRY ADDRESSED COLLECTIVELY TO A GROUP OF THREE (3) OR MORE PERSONS, OR (2) WHEREBY PROPERTY IS OFFERED OR EXHIBITED AT A FIXED OR VARIABLE PRICE AND THOSE IN THE COLLECTIVE AUDIENCE MAY RESPOND TO SUCH AN OFFER, OR SUCH STATED OR VARIABLE PRICE OR SUCH EXHIBITED PROPERTY, INDIVIDUALLY OR COLLECTIVELY, BY BID, OFFER OR ACCEPTANCE OF A STATED OR VARIABLE PRICE OR OTHER OFFER.

(C) "AUCTIONEER" MEANS ANY PERSON WHO SHALL, BY PUBLIC OUTCRY, OR BY OFFERING, DEMONSTRATING, EXHIBITING, FOR ANY STATED OR VARIABLE PRICE OR BY MERE EXHIBITION OR BY INVITING OFFERS OR BIDS AT A PUBLIC OFFERING OR ASSEMBLAGE OF THREE (3) OR MORE PERSONS, OR CAUSE A SALE OR OFFER OR INVITATION TO MAKE AN OFFER OCCUR WHEN THREE (3) OR MORE PERSONS ARE ASSEMBLED COLLECTIVELY FOR THE PURPOSE OF SALE OF THE PROPERTY OF ANY GOODS, WARES, MERCHANDISE, LIVESTOCK, VEHICLES, FRUITS, STOCKS, BONDS AND OTHER SECURITIES, OR ANY PERSONAL PROPERTY OF WHATSOEVER NATURE, OR ANY REAL ESTATE OR INTEREST THEREIN, AT ANY STORE, STAND OR OTHER PLACE WHERE ANY AND ALL PERSONS WHO CHOOSE SO TO DO ARE PERMITTED TO ATTEND AND OFFER BIDS, OR ANY PERSON WHO SHALL ADVERTISE OR IN ANY OTHER MANNER HOLD HIMSELF OUT AS AN AUCTIONEER FOR PUBLIC PATRONAGE, OR RECEIVE FEES OR OTHER COMPENSATION FOR SERVICES AS SUCH.

SEC. [3] 4. The provisions of this chapter do not apply to sales conducted in bankruptcy or by executors, administrators, receivers or other public officers acting under judicial process.

[SEC. 4. 1. Every article of merchandise offered for sale to customers in a retail demonstration sale shall have securely attached to it a label containing a true statement of the kind and quality of the substance of which the article is composed.

2. If the article is:

(a) A jewel or another type of article customarily stocked by persons engaged in the jewelry business, the label shall state the carat or percentage or purity of the article.

(b) An object plated or overlaid with metal, the label shall state the kind and percentage of the plating or overlay.

(c) A precious, semiprecious, synthetic or imitation stone, the label shall state the name weight, quality and color of the stone.

(d) A watch or clock, the label shall state the name of the manufacturer, the country of manufacture and the number of jewels and adjustments.]

[SEC. 5. Every person who conducts a retail demonstration sale shall at all times prominently display at the place of sale a sign, in large lettering with dimensions of at least 18 inches in height and width, which states in substance:

A cash refund for the full amount of the purchase price will be made if notice of rescission of the sale is received by the seller before midnight of the third business day following the date of the sale.]

SEC. 5 EXCEPT FOR THE CONDITIONS, DEFINITIONS AND REQUIREMENTS OF THIS CHAPTER, THE REGULATION, LICENSING AND CONTROL OF AUCTIONEERING SHALL NOT BE CONSIDERED PRE-EMPTED BY THE STATE, AND ANY POLITICAL SUBDIVISION OF THIS STATE MAY ADOPT BY ORDINANCE FURTHER RESTRICTIVE LICENSING REGULATIONS AND REQUIREMENTS AS IN THEIR DISCRETION ARE JUSTIFIED.

[SEC. 6. A buyer at a retail demonstration sale may rescind his purchase by delivering, mailing or telegraphing a notice of his rescission to the seller no later than midnight of the third business day after the date of the sale.]

[SEC. 7. At the conclusion of every retail demonstration sale, the seller shall furnish each buyer with a completed receipt which identifies the article sold, states the date of the sale and the name and address of the buyer. Near the space reserved for the signature of the buyer, the receipt form shall include the following statement:

You may cancel this sale at any time before midnight of the third business day after the date of the sale.]

[SEC. 8. It is unlawful for any person who has conducted a retail demonstration sale to refuse to refund any money or return any check or evidence of indebtedness received from a purchaser after the purchaser has given a proper notice of rescission.]

[SEC. 9. It is unlawful for any owner, operator or employee of a business which conducts retail demonstration sales to:

1. Give or promise to give any gift, prize or premium to any person attending such a sale or give or promise such a reward for the purpose of enticing any person to attend such a sale.
2. Advertise such a sale by public shouting or employ any noisemaking device for the purpose of attracting persons into the place where the sale is being conducted.
3. Sell any article which cannot be seen by the prospective buyers before the sale.
4. Employ any person as a shill, or pretended bidder, or permit any person to act as pretended bidder at the sale.
5. Make any false representation as to the character, quality, condition, value or ownership of any article for sale.
6. Sell a used article as a new article, or sell any used article unless the seller before offering it for sale, clearly states that it is used.
7. Substitute another article for any article sold to a buyer.]

[SEC. 10. Any person, business, partnership, corporation or other entity which violates any provision of this chapter is guilty of a misdemeanor.]

Tuesday-July 6, 1976

JUL 9 - 1976

Gentlemen:

I am one of the many people that come to Las Vegas seeking fun and excitement for the first time or regularly. We were in your exciting town for the very first time over the July 4th. holiday and after some troubles on the way and difficulties finding a place to stay when we got there on the money we had left, we began to finally see for ourselves the glamour and excitement we had heard all of our friends speak about in the past.

We stayed in the Crest Motel downtown a block from the El Cortez. We were treated very well there and they told us several places to be sure to go while we were in town. We visited the El Cortez, Union Plaza, California Club, and a few other down town clubs while the two children waited patiently for us to take them to Circus Circus.

We had just left the Las Vegas Club and were heading down to the Bingo Club on Fremont when we saw a crowd gathering at a place that looked like a legitimate jewelry store located at 22 Fremont Street. It was called the Theater Mart. After standing and listening, along with several other people, we were invited in to listen to a professional sales pitch like none I have ever heard. This guy came on in a manner that made it hard to believe he could possibly be anything but an honest salesman for a legitimate jewelry firm. He kept telling everyone that anything we paid for what we bought was way below its' actual value, but that the reason he could do it was because of the value of word of mouth advertising it would bring to Las Vegas, and his shop when we told people back home where we bought it. He held up items and told them what they were worth and read guarantees that were to be for thoes items. We bought two pen and pencil sets as

Exhibit 2

gifts for family members that were supposed to be valued at \$25.00 at the wonderful low cost of only \$4.00 and set of so called set of stainless steel knives valued at \$39.95 for \$30.00, and one of his so called Swiss made gold watches valued at \$99.95 for the low cost of \$30. We would not have been nearly as disappointed if the merchandise he sold to us was at least worth what we paid, but the pens were of the type we could buy in any dime store. The stainless steel set had rust on it, and the price could not have been more then \$7.00 in your state or ours. The watch looks like it was made in Japan or even Mexico. I can't in any way prove the merchandise he showed to the people in the front seats is even the same he sold to us suckers in his audience. It had to be a switch or even worse. I know we are stuck with a bad lesson on what to watch for the next time, if and when we ever can afford to come again, but we are going to give him all of the advertisment possible, and it isn't going to help your city. It is a shame that people come there knowing it is all a game of chance but just to relax and have a little fun and get work off of their minds for a few days and get stung by a con man to spoil the whole memorey of the visit there.

The worst part of the thing is that while the kids waited around in the motel for us to see some of the down town clubs before going out to the strip and let them see Circus Circus, we got hit by this con man and made us so upset with the thing that we didn't have the heart to stay and spend the money we had brought to spend and enjoy our first trip to Las Vegas and let the kids see anything and have a time of their lives.

At the time of this writting I have been so upset over the experience, that you may not even be able to read what I have typed but I won't try and retype it because I may even get worse as I try and remember all of the details.

This has been our celebration for 200 years of freedom in America,

the only Country in the World to be able to boast this and I guess
thoes liberties also give Con Artists the right of doing what they
feel best in doing.

Here in California we are proud to say we hunt thoes people out
and get them away from decent people.

I want to thank you one and all that might have taken the time to
have read this letter. Let me say again, we did meet some decent , and
wonderful people in the places we had time to visit before we met your
trash.

Sincerely,

Chet Eberhardt & Family

June 26, 1976

Schiff Enterprises
231 E. Fremont Street
Las Vegas, Nevada 89101

To Whom it May Concern:

We are returning your Brother sewing machine, which you so willingly sold to us as the product that it is not. At the time that we purchased this machine, we were told that it was the best in the Brother line of sewing machines. We were also told that it would sew, wonderfully, 36 different stitches and was worth well over what we paid for it.

First of all, I want to congratulate you on the outcome of your efforts. You said "I don't want to make a fool out of anyone here." Well, you did a good job of making fools out of us!!!

Not only did we find out when we returned home, that we could buy the same machine for \$50.00 less (at least), but that the machine we walked out with was the second to the least in the Brother line (from reputable dealers). Not the best, as we were told.

In addition to the above promises, we found your wonderful machine did not sew 36 stitches (as you promised).

Please be assured that the Better Business Bureau will be informed of this matter and so will the Chamber of Commerce.

Please credit our Master Charge account NOW with \$207.00.

William Stone

cc: Nevada Better Business Bureau
Chamber of Commerce

June 14, 1976

JUN 17 1976

Chamber of Commerce;

When in Las Vegas, March 27, 1976 I attended an auction at the place on the enclosed receipt. I purchased a set of watches, which I received for \$50.00 and was then given the \$50.00 credit on a \$200.00 stereo, which was to be sent promptly. I called a month later and was told it was told it would be sent in 3 days.

I need the \$200.00 and sent a copy of the enclosed letter to the address on the receipts. Are you familiar with this business? Can you assist me in getting a refund? I would appreciate your help.

Sincerely,

Paul Cain

111 E. ...

... ..

45-10

JAN 15 1976
1976

1320 North Ninth Street
Manitowoc, Wisconsin 54220
May 19, 1976

MAY 20 1976

Greater Las Vegas Chamber of Commerce
2301 East Sahara Avenue
Las Vegas, Nevada 89105

Gentlemen:

I'd like to report an incident that happened to my mother while we were in Las Vegas the week of April 26. Although the entire operation may be legal and your office may be aware of its existence, maybe you don't know about it and it could be interesting to you.

My mother and dad were "coaxed" off the street by a smooth-talking man employed by Schiff Enterprises. They were invited to participate in an "auction." Since neither knew what was going on, they went in and sat down.

The man (my dad said he was an expert talker and easily confused everyone) "gave" three gifts away. At first he put the gifts on the individuals' tables and asked how much the party thought they were worth. The party indicated an amount much lower than the actual value. The party then agreed to purchase the item for that amount and there was an exchange of money.

The auctioneer then made a big play and returned the money to the three individuals involved, saying that he was going to "give" the items away and he didn't want to be paid.

Possibly these first three people were working for the auctioneer.

Then he started working on the other people in the audience. By the time he was through my mother "bought" a cheap watch, a pendant not worth more than \$1.98, and a ball point pen for \$44. All the while my mother expected to have her money returned just like he did with the first three people. ^{approx. value \$10}

Most of the audience bought items. One disillusioned man "bought" \$200 worth of stereo equipment. He spoke to my parents right after the auction was over and said he didn't even know what happened. He said his wife was going to kill him.

This is not meant to be a complaint exactly but just to let you know that these things are taking place in your city. Mother would have much preferred to have spent the \$44 on the slot machines than to have been swindled by some fast talker. She's learned her lesson and it won't happen again to her, but some other visitor could be taken.

We'd rather spend the money in the casinos where we are really treated well.

Sincerely,

Jane Kuchenbecker

(Miss) Jane Kuchenbecker

*No address
File*

MAR 16 1977

California

March 16, 1977

Chamber of Commerce
Las Vegas, Nevada

Gentlemen:

We are writing to advise you of a very distasteful and crooked operation happening every half hour on Fremont Street.

There is a "so called" business there by the name of D. E. ENTERPRISES. They tempt unsuspecting tourists into their den by offering a free draw. Once inside, their speel is fantastic and definitely the work of pro's. They tell you they are giving articles away for the sake of advertising purposes. Before you know what has happened more than half the people have bought \$30 radios, jade, etc. worth about \$10, or a sewing machine or stereo for \$200. We sat through one of these sessions and saw an old lady "sold" a \$200 sewing machine as she stood there in shock.

We truly feel something should be done about this "rip off" operation. Las Vegas has always been a fun place and should not be associated with a disgusting operation such as this. We are hopeful that someone will take the necessary steps to stop these small-time crooks taking advantage of unsuspecting, happy visitors to your fun city.

Sincerely

Mr & Mrs C. L. Middleton

Mr. & Mrs. C. L. Middleton

/sm

c.c. Chief of Police
400 Stewart St.
Las Vegas, Nevada

c.c. Office of the Mayor
Las Vegas, Nevada

Refuses To Horse-Trade

LV Won't Deal With Jam Auction

The City of Las Vegas did not appear ready to horse-trade with the owners of two jam auctions who reportedly would go out of business in exchange for liquor licenses.

(Jam auctions originated in Atlantic City, N.J., and are so named because they jam vacationers into a small room and jam low-quality goods down their throats for high prices.)

Mayor Bill Briare, who refuses even to meet with the owners, said they would first have to demonstrate their good intentions by surrendering their court-granted business licenses.

City Commissioner Ron Lurie opposed any deal, preferring to fight the present jam auction owners and get rid of the carnival pitchman-like outfits once and for all.

City Business Activity Director Iia Britt revealed both Eric Rasmussen (D & E Enterprises, Inc., or Theater Mart) and Abe and Bob Schiff (Schiff Enterprises) have inquired about obtaining liquor licenses.

In fact, Rasmussen confronted Briare personally at Ormsby House in Carson City recently.

The mayor, upon learning Rasmussen ran one of the two jam auctions on Fremont Street, abruptly ended the conversation, he related later.

Friday an article appeared in the SUN describing Briare's plans to send a contingent to Carson City to push for a state law to regulate jam auctions.

Friday night, Rasmussen called Briare's home, but the mayor was out. He would not return the call nor meet with Rasmussen in his office at city hall, Briare told the SUN.

Briare has been incensed by a growing number of letters from tourists who claim they were ripped off by the jam auctions and vow not to return to Las Vegas because of it.

A hearing was scheduled for Wednesday in Carson City in front of the Assembly Commerce Committee, but has since been tentatively reset for 2:30 p.m. Friday.

Among city staff members expected to fly to the capital to testify on the matter are Business Activity Deputy Director Howard Crow and Roger Peacock of the city attorney's consumer affairs division.

Of the proposed law, Assembly Bill 100, Briare said, "Several things have to be cleared up before it is a good piece of legislation."

He described it as a tough bill to pass because of the danger of overregulating legitimate businesses in trying to control the jam auctions.

Asked if it wouldn't be easier to make a deal with the jam auction forces, Briare said, "Baloney!"

Lurie, too, wants to attack the problem at the roots.

"If we agree to let them go into the liquor business," he said, "somebody else will take their place. Let's stay with the ones we have and try to get rid of the whole affair."

Two years ago law to regulate Rasmussen and court order making less.

Refuses To Horse-Trade

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Two years ago the city passed its own law to regulate the jam auctions, but Rasmussen and the Schiffs obtained a court order making the ordinance useless.

A hearing was scheduled for Wednesday.

'Jam auction' bill draws local attention

4/9/77 R-J

By Sheila Caudle
R-J Staff Writer

Some Las Vegas officials will go to Carson City next week to testify on a proposed law targeted at "jam auctions," subject of many complaints by tourists.

The operations, known officially as "retail demonstration sales," are places where fast-talking salesmen peddle merchandise at inflated prices to unwary tourists, according to city officials.

Buyers, they say, are lured to the operations because it's hinted they'll get something for nothing, but later find they've paid highly for their merchandise.

Mayor William Briare, who has received a number of letters from tourists who claim they've been ripped off, said Friday the "jam auctions" definitely need to be policed.

However, he said the bill, introduced last month in the Nevada Assembly, has a few problems because its merchandise exchange and refund policy—strictly outlined—also would affect legitimate businesses.

Briare said those firms should be allowed to establish their own refund and exchange policy, adding the bill might interfere with the free enterprise system "so there's a little bit of danger there."

He and City Commissioner Ron Lurie also said the bill needed to clarify the definition of "jam auction" and "retail demonstration sale."

Under the bill's language, the operation means the selling of merchandise carried on "by the solicitation of bids in a limited or controlled manner."

However, Ila Britt, the city's business activity director, said Friday that's not what takes place at a "jam auction."

She said the operators don't solicit bids, adding, "What they do is hold up a watch and say, 'Who will offer me \$14.95 for this \$100 watch?'"

In many cases, the mayor complained, the watch is worth much less than \$14.95, but when the buyer tries to get his money back or a refund, he's out of luck.

Two "jam auctions" are currently operating in the city, both on Fremont Street downtown. In 1975, the city sought to regulate them, requiring labels on items sold and prominent signs outlining refund terms. In addition, the ordinance prohibited excessive noise. However, the ordinance enforcement was stopped in a District Court case.

Friday Lurie said of the "jam auctions," "The courts have disregarded our ordinance and other laws to regulate them.... These people are professional auctioneers. They hypnotize the people; they have a way of speaking that puts the people sitting there in a trance."

The city commissioner said he might go to Carson Wednesday when the bill, AB473, is scheduled for hearing before Assemblyman Harley Harmon's Commerce Committee. Britt and her deputy, Howard Crow, also may testify.

Britt said she is generally in favor of the bill, which has been backed by the Las Vegas Chamber of Commerce.

The proposed law requires every article of merchandise offered for sale in a "retail demonstration sale" to carry a label "containing a true statement of the kind and quality of the substance of which the article is composed."

Jewelry information must include the carat or percentage of purity. The same holds true for metal-plat-

ed items. Labels must carry the name, weight, quality and color of stones for sale. And watches or clocks must include the manufacturer's name, where it was built and the number of jewels and adjustments.

The operations would be required to post a large sign telling buyers a cash refund for the full purchase price will be made if the buyer wants out of the deal within three business days following the sale.

And the proposed law would require the "jam auction" seller to give each buyer a completed receipt identifying the item sold, date of sale, and the buyer's name and address. The receipt, too, would carry the sale cancellation notice.

The strict law makes it unlawful for sellers to refuse a cash refund or return purchase checks if the buyer's complied with cancellation requirements.

Operators also couldn't give or promise to give any gift, prize or premium to anyone "for the purpose of enticing any person to attend such a sale."

Also banned is sale advertising through public shouting or using noisemakers. Shills and pretended bidders would not be allowed, and operators would be in trouble if they made false representation concerning the character, quality, condition, value or ownership of sale articles. If a piece of merchandise was used, it would have to clearly say so.

The law also says operators couldn't substitute an item for something else sold, and couldn't sell items which couldn't be seen by prospective buyers before the sale.

In generally backing the bill and its stringent measures, Mayor Briare said city representatives would be asked to testify "to the detriment these businesses have on this community and its image."

Deceptive trade practices charged

A suit charging deceptive trade practices was filed in District Court Monday against Schiff Enterprises Inc., a company operating a so-called jam auction.

The suit was filed by the attorney general's consumer affairs division.

According to the complaint, Schiff agreed on Dec. 1 to put a stop to nine alleged violations of the deceptive trade laws at the business at 231 Fremont St. but has gone on violating them.

Among the violations listed in the suit are claiming the items being sold have a higher, nationally advertised price tag; claiming there is only a limited quantity of the items on sale at low prices; telling customers that man-made "diamondite" is a man-made diamond and comparing the operation to that of "Let's Make A Deal" with a qualifying statement accompanying the comparison.

Civil penalties in the amount of \$2,500 are being sought for each alleged violation.

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Consumer protection highlighted

Protection of consumers and legitimate business probably will be the focus of Las Vegas testimony on a bill regulating "jam auctions," Mayor William Briare indicated Monday.

The strict bill has been scheduled for a hearing Friday before the Assembly Commerce Committee chaired by Assemblyman Harley Harmon, D-Las Vegas.

Monday Briare suggested the city's representatives include City Commissioner Ron Lurie, Howard Crow of the Business Activity Department, and Roger Peacock, who runs the city attorney's office's consumer protection division.

In addition, Briare said those involved with legitimate retail businesses, such as City Commissioner Paul Christensen (a jewelry store partner), would be asked to attend the Carson City hearings.

Although Briare said the bill, AB473, puts "jam auctions," officially known as "retail demonstration sales," under strict control, it might be detrimental to businesses which haven't been the target of "ripoff" complaints.

The mayor added, "We don't want to indirectly harm people by putting in language to control other people. This is why this is a tough bill....If we could have named them ("jam auctions") by name, there would be no problem."

The auctions involve salesmen peddling merchandise through high-powered promotions; city officials say many, particularly tourists, are lured into buying items at inflated prices with no guarantee as to quality and/or refund of money.

The proposed law requires strict labeling, refund policies, cancellation of sale provisions, and allowance for refunds. It bans advertising through public shouting or noisemakers and prohibits operators from giving or promising to give any gift, prize, premium or reward to anyone "for the purpose of enticing any person to attend such a sale."

4/10/68
Culley
M...



Dieck
Odyssey

Gullible, greedy 'marks' jam in auctioneer's pot

When Bill Blum arrived in Las Vegas four years ago to play the role of master con man Nathan Detroit in Damon Runyon's classic, "Guys and Dolls", it's doubtful that he realized that he was in training for his current profession.

Blum describes himself as the "advertising manager" for a jam auction, operating right at the hub of downtown activity, at the corner of Third and Fremont.

Blum and his colleagues specialize in luring tourists only into their store with a show of some inane magic tricks and the promise of many free gifts. Once inside, the glass doors across the front of the building are closed "to overcome traffic noise."

WHAT HAPPENS behind these closed doors was what we wanted to learn more about. Our Mayor and just about every citizen of Las Vegas have been screaming for an end to the activities of these businesses, but few have actually sat through a full performance. We did.

We joined a knot of tourists, who were huddled around a bearded young man who promised to turn dollar bills into fifties. He continued to make the promise for nearly half an hour, backing off the sidewalk, into the store a few steps at a time and calling his following after him.

Through some clever questioning during his carnival spiel, he ascertained that his group was all tourists, including this reporter, who became a rube from L.A. for the performance. Must admit, we were a bit disappointed that no one in the operation reads this column. At least they didn't recognize us from that supposed drawing at the top of this piece. But, neither would my mother.

We went along with the entire pitch, never finding out how to change the dollar bills. But we did wind up seated within the store and were among the crowd introduced to Bill Blum, the ad manager.

Blum then spent an hour more sweet talking, cajoling and even insulting his audience with a performance of perfection. He made a great point of the fact that the jam auction was licensed by the City of Las Vegas and also that all sales were final.

HOWEVER, afterwards, he told us that customers who felt misled could get their money back. Mayor Bill Briere, however, says his office has stacks of mail from dissatisfied customers.

Blum and his associates are as careful in their presentation as a brain surgeon might be in performing his specialty. They never actually lie about their products or their goals and they never really sell anything to anyone.

By drenching their following with a constant plea for faith and sincerity. For some reason, he uses the ploy that all the items are being given away or practically so, for advertising purposes. Why a manufacturer would want to give away his products on Fremont St. is never really explained.

But he continues to implore the "lamb" to sell their friends about the Schiff Enterprises operation. Maybe the advertising purposes. Why a manufacturer would want to give away his products on Fremont St. is never really explained.

But he continues to implore the "lamb" to tell their friends about the Schiff Enterprises operation. Maybe the advertising is to get more customers into the store where everything is given away.

Oh, and it is certainly a giveaway. As we recall, we received a pocket comb, a plastic back scratcher, a dry cocktail mix and a few other items. And even a paper bag in which to carry our "valuables."

Then Blum wanted to see the color of the money of his "sincere" customers. He asked four dollars and promised only an empty box in return. Anyone who wouldn't show enough faith to pass up the money was asked to leave.

new of ball point pens with perfumed ink. He also gave away a food chopper for a dime, a decanter for a quarter and a set of knives for a buck.

In each case, he wanted a much larger amount of money shown as evidence of the "sincerity" of his prey. And it was shown. By this time, most of the flock was convinced that Blum and Schiff Enterprises were Las Vegas' answer to Santa Claus.

So he went to work, trying to hustle the usual sewing machine and stereo unit. So much has been already written about these two appliances and the rooking the public has taken on them, we won't even pursue that.

And neither did Blum, when it became obvious that none in his group wanted to part with two hundred bucks for either item. So now it was on to the lower priced gaffs. First, he offered a pair of wrist watches, sporting \$99.95 price tags on each.

Blum finally brought the price down to a low, low fifty bucks and peddled four or five sets. Then it was a "surprise" item for which he only wanted twenty dollars. Seven in the audience sent their money forward during his lengthy promise to give them more than their money's worth for showing "faith" and "sincerity."

There treasure was a cheap crystal decanter and wine glass set. Everything was certainly legal, however. Blum never mis-represented what they would get for their \$20 because he never told them what it would be, other than a surprise.

AND TO INSURE against any claims to the contrary, a tape recorder runs throughout the sale. Any claimants would probably have a tough time in court proving they had been bilked because of what is contained on the tape. As with any con game, the greed of the victim is all that counts.

They assure themselves they will be getting something for nothing so they play the game. And, so long as this human frailty exists, jam auctions or their possible successors will flourish. That is, unless Mayor Briere finally finds a way to legally get them out of here.

Exhibit 3

SB 308

PROPOSED AMENDMENTS

NEVADA ASSOCIATION OF REALTORS

PAGE 1, LINE 3

1. Add EFFECTIVE JANUARY 1, 1978 the
COMMISSION SHALL PRESCRIBE ...

PAGE 1, LINE 11

(b) ... before licensing - [after December 31, 1980.]

PAGE 2, LINE 4

... Ings. REAL ESTATE COURSES OFFERED BY ACCREDITED
COMMUNITY COLLEGES, COLLEGES, AND UNIVERSITIES SHALL
AUTOMATICALLY MEET THE STANDARDS AS PRESCRIBED IN
SUBSECTION 1

~~PAGE 2~~

DELETE SECTION 645.830 FROM EXISTING LAW

ADD NEW SECTION 645.830 AS ATTACHED

CHANGE SECTION 645.830 AS PER ATTACHED.

EXHIBIT 4

645.830 Amount of fees. The following fees shall be charged by and paid to the real estate division:

For each real estate broker's examination.....	\$40
For each original real estate broker's, broker-salesman's or corporate officer's license.....	40
For each renewal real estate broker's, broker-salesman's or corporate officer's license, for 1 year or fraction thereof.....	40
For each licensed real estate broker's or salesman's original license or renewal, in addition to the renewal fee, for the real estate education, research and recovery fund.....	10
For each real estate salesman's examination.....	40
For each original real estate salesman's license.....	25
For each renewal real estate salesman's license, for 1 year or fraction thereof.....	25
For each branch office broker's license, for 1 year or fraction thereof.....	25
For each original registration of an owner-developer.....	40
For each annual renewal of registration of an owner-developer.....	40
For each enlargement of the area of an owner-developer's registration.....	15
For each change of name or address.....	10
For each transfer of real estate salesman's license on change of association.....	10
For each duplicate license or pocket card where the original license or pocket card is lost or destroyed, and affidavit made thereof.....	10
For each reinstatement of a real estate broker's or salesman's license.....	10
For each reinstatement of a real estate broker's or salesman's license when a licensee fails to give written notice to the commission within 30 days of a change of name, address or broker with whom he is associated.....	20
For each change of status from broker to broker-salesman, or the reverse.....	10
For each certificate issued to an out-of-state broker licensee for 1 year or fraction thereof.....	40

[Part 19:150:1947; A 1949, 433; 1955, 77]—(NRS A 1957, 340; 1959, 396; 1963, 1075; 1965, 1409; 1967, 1046; 1975, 1554, 1642)

645.830 Amount of Fees. The following fees shall be charged by and paid to the real estate division:

For each real estate salesman's or broker's examination	\$40
For each original real estate broker's, broker-salesman's or corporate broker's license	80
For each original real estate salesman's license	50
For each original branch office license	50
For each real estate education, research and recovery fee to be paid at the time of issuance of original license or renewal	40
For each penalty assessed for failure of an applicant for an original broker's, broker-salesman's or corporate broker's license to file within 30 days of notification	40
For each penalty assessed for failure of an applicant for an original salesman's license to file within 30 days of notification	25
For each renewal real estate broker's, broker-salesman's or corporate broker's license	80
For each renewal real estate salesman's license	50
For each renewal real estate branch office license	50
For each penalty for late filing of a renewal for broker's, broker-salesman's or corporate broker's license	40
For each penalty for late filing of a renewal for salesman's license	25
For each change of name or address	10
For each transfer of real estate salesman's or broker-salesman's license and change of association or employment	10
For each duplicate license or pocket card where the original license or pocket card is lost or destroyed, and affidavit made thereof	10
For each change of status from broker to broker-salesman, or the reverse	10
For each reinstatement to active status of an inactive real estate broker's, broker-salesman's or salesman's license	10
For each reinstatement of a real estate broker's license when the licensee fails to give immediate written notice to the division of a change of name or business location	20
For each reinstatement of a real estate salesman's or broker-salesman's license when he fails to notify the division of a change of broker within 30 days of termination by previous broker	20
For each original registration of an owner-developer	40
For each annual renewal of registration of an owner-developer	40
For each enlargement of the area of an owner-developer's registration	15
For each cooperative certificate issued to an out-of-state broker licensee for 1 year or fraction thereof	40

645.843 Augmentation of fund.

1. Except as otherwise provided in subsection 2, upon issuance or renewal of every real estate broker's and real estate salesman's license, every licensed broker and salesman shall pay in addition to the original or renewal fee, a fee of [~~\$15.~~] \$40. Such additional fee shall be paid into the state treasury and credited to the fund, and shall be used solely for the purposes provided in NRS 645.841 to 645.8494, inclusive.

2. A salesman who renews his license while employed by an owner-developer is not required to pay into the fund.

(Added to NRS by 1967, 1044; A 1969, 566; 1973, 1105, 1764; 1975, 1643)

NEVADA STATE SENATE
COMMERCE COMMITTEE
MARCH 23, 1977

MY NAME IS ROBERT BOWERS. I AM A REALTOR APPEARING
HERE ON BEHALF OF THE NEVADA ASSOCIATION OF REALTORS.

WE WISH TO VOICE OUR SUPPORT FOR SB 308, THE CONTINUING
EDUCATIONAL BILL FOR REAL ESTATE LICENSEES. WE FEEL THAT THIS
DEMAND FOR CONTINUING EDUCATION IS VITAL FOR THE PROTECTION OF
THE CONSUMERS BUYING AND SELLING REAL ESTATE.

THE REASON WE FEEL SO STRONGLY ABOUT THIS REQUIREMENT
IS THE FACT THAT SO MANY OF US HAVE COME INTO THE REAL ESTATE
BUSINESS WITH THE PASSING OF THE EXAMINATION FOR A LICENSE
AS OUR ONLY QUALIFICATION AND THE LARGE NUMBER OF LICENSEES
NEVER ATTEMPT TO ADD TO THEIR KNOWLEDGE AFTER THAT TIME. MANY
PUT THEIR LICENSES ON AN INACTIVE STATUS, THEN, WHEN AND IF THEY
DECIDE TO ACTIVELY PURSUE THE REAL ESTATE PROFESSION, THEY ARE
TWO OR THREE YEARS BEHIND IN THE IMPORTANT CHANGES THAT HAVE TAKEN
PLACE IN THE REAL ESTATE INDUSTRY. THIS, AS YOU CAN IMAGINE,
WOULD CAUSE THEIR CLIENTS TO BE THE VICTIMS OF POOR REPRESENTATION
AND OFTEN BAD ADVISE.

THE ASSOCIATION HAS ALWAYS MAINTAINED THAT PEOPLE BUYING OR
SELLING A HOME ARE ENTITLED TO KNOWLEDGEABLE PROFESSIONAL
REPRESENTATION AS THEY ARE NEARLY ALWAYS SPENDING VIRTUALLY ALL
OF THEIR HARD EARNED SAVINGS OR SELLING THE LARGEST FINANCIAL
ASSET THEY EVER OWN.

I WOULD LIKE TO POINT OUT THAT THIS BILL MAKES DEMANDS ON
ALL LICENSEES; EVEN THOSE OF US WITH TWENTY OR THIRTY YEARS OF
EXPERIENCE MUST ATTEND AND QUALIFY THE SAME AS A FAIRLY NEW
LICENSEE.

I BELIEVE THE REASON THE ASSOCIATION ASKED ME TO TESTIFY ON
THIS PARTICULAR BILL IS THAT I HAVE BEEN ADVOCATING THIS
REQUIREMENT FOR THE LAST TWELVE OR FOURTEEN YEARS AND MY SELLING
POINTS TO COLLEAGUES IS THE CONCEPT OF HOW THIS LAW SHOULD WORK:

THE FIRST DEMAND SHOULD BE A THOROUGH EDUCATION ON NEW LAWS
PASSED BY THE LEGISLATURE OR THE CONGRESS OF THE UNITED STATES AND
THE COURT CASES THAT EFFECT THE PRACTICE AND OWNERSHIP OF REAL
ESTATE.

Exhibit 5

AS AN EXAMPLE, EACH TIME THE LEGISLATURE MEETS HERE IN CARSON CITY, WE FIND LATER THAT APPROXIMATELY 35 TO 40 NEW LAWS OR CHANGES, IN EXISTING STATUTES, DIRECTLY EFFECT THE OWNERSHIP AND THE PRACTICE OF REAL ESTATE. THEREFORE, AS STATED, THIS SHOULD BE THE FIRST EDUCATIONAL REQUIREMENT UNDER THE CONTINUING EDUCATION BILL.

SECOND, THE REAL ESTATE DIVISION SHOULD DETERMINE, FROM THE COMPLAINTS THEY RECEIVE, WHAT ITEMS ARE THE CAUSE OF THE GREATEST NUMBER OF COMPLAINTS AND A PORTION OF THE CONTINUING EDUCATION COURSES SHOULD BE USED TO EDUCATE THE LICENSEES SO AS TO ELIMINATE THE CAUSES OF THESE COMPLAINTS

A GOOD EXAMPLE OF THAT IS THAT ADMITTEDLY, A LARGE NUMBER OF CONTROVERSIES ARE CAUSED BY THE IMPROPER, OR UNCLEARLY, DRAWN OFFER AND ACCEPTANCE FORMS. THE REASON FOR THIS IS THAT THE AVERAGE LICENSEE STUDIES THESE FORMS ONLY ENOUGH TO PASS THE EXAMINATION. SUCH EXAM KNOWLEDGE IS BASIC, BUT MORE SIMPLE THAN IS REQUIRED IN MOST ACTUAL TRANSACTIONS. UNFORTUNATELY, VOLUNTARY INSTRUCTION PROGRAMS ARE NOT SUFFICIENTLY ATTENDED TO GENERALLY IMPROVE PROPER USE OF THESE FORMS THROUGHOUT THE PROFESSION.

THE CONCEPT OF CONTINUING EDUCATION IS TO IMPROVE THE BASIC SKILLS OF LICENSEES AND TO PROVIDE THE CLIENT CONSUMER WITH MORE KNOWLEDGEABLE AND COMPETENT SERVICES FOR THEIR PROTECTION IN MATTERS WHICH HAVE SUCH AN IMPORTANT EFFECT ON THEIR FINANCIAL STATUS.

IT IS ASSUMED THAT WITH THE LARGE NUMBER OF LICENSEES IN THE STATE WHO SHALL ATTEND THE CLASSES, THE COMMISSION, OR THE DIVISION, SHOULD BE ALLOWED TO CHARGE LICENSEES A MINIMUM FEE TO COVER THE COST OF PREPARING AND TEACHING THE COURSES.

NEVADA ASSOCIATION OF REALTORS

TESTIMONY TO ASSEMBLY COMMERCE COMMITTEE

S.B. 255

POSITION: OPPOSE CHANGE IN STRUCTURE OF THE REAL ESTATE
ADVISORY COMMISSION. THIS BILL WOULD CHANGE
STRUCTURE FROM FIVE (5) BROKERS TO FOUR (4)
BROKERS AND ONE (1) SALESMAN

REASON FOR OPPOSITION:

1. LEGISLATION USUALLY ADDRESSES ITSELF TO A PROBLEM.

THERE IS NO PROBLEM WITH PRESENT STRUCTURE.

2. ALL REAL ESTATE LICENSEES ARE GOVERNED BY THE
SAME STATUTE NRS 645 AND THE BROKER IS LEGALLY
RESPONSIBLE FOR ALL ACTS OF SALESPERSON. THE BROKERS
WHO ARE LEGALLY RESPONSIBLE SHOULD SERVE ON
COMMISSION.

IF YOU FEEL THIS PIECE OF LEGISLATION HAS MERIT AND DECIDE
TO PROCESS IT, THE FOLLOWING AMENDMENTS ARE SUGGESTED:

1. PAGE 1, LINE 19

ADD: AT LEAST FOUR MEMBERS OF THE ...

2. PAGE 2, LINE 3

DELETE: [SHALL] ADD: MAY

3. PAGE 2, LINE 4

ADD: AS A REAL ESTATE BROKER-SALESMAN OR SALESMAN . . .

B) AMENDING THE BILL AS PROPOSED, THE GOVERNOR'S HANDS WOULD NOT BE TIED. HE WOULD HAVE THE OPTION OF APPOINTING A BROKER-SALESMAN OR SALESMAN IF HE WISHED, BUT WOULD NOT HAVE TO DO SO.

B) ADDING BROKER SALESMAN YOU WOULD BE ADDING A POTENTIAL OF 1100 MORE APPOINTEES. THESE LICENSEES ARE PEOPLE WHO HAVE BROKERS LICENSES BUT ARE WORKING AS SALESMEN. MANY OF THE CAREER SALESPeOPLE HAVE THIS TYPE OF LICENSE.

1710 000

An act amending the Nevada Motor Vehicle Insurance Act to provide for agreements between an insurer and a named insured excluding coverages while any insured motor vehicle is being operated by a natural person or persons designated by name.

The People of the State of Nevada, represented in Senate and Assembly do enact as follows:

Sec. 1. Chapter 698 of NRS is hereby amended by adding thereto a new section as set forth in Section 2 of this Act.

new

Sec. 2. (a) Notwithstanding the provisions of Section 698.200 NRS, an insurer and any named insured, by the terms of any policy providing basic reparation benefits, material damage and tort liability coverage under the provisions of this Act, or by a separate writing relating thereto, agree as to the following limitations, such agreement to be binding upon every insured to whom such policy applies and upon every third party claimant:

- (1) That coverage under such policy shall not apply nor accrue to the benefit of any insured or any third party claimant while an insured motor vehicle is being operated by a natural person or persons designated by name. Such agreement shall remain in force as long as the policy remains in force, and shall apply to any continuation, renewal, or replacement of such policy by the named insured or reinstatement of such policy within 30 days of any lapse thereof.

(b) No such policy provision nor the terms of any separate agreement referred to in Subsection (a) shall operate to exclude basic or added reparation benefits provided under such policy when the designated person excluded by name in Subsection (a) is occupying, but not operating, the insured or any non-owned motor vehicle of a type for which such coverage is provided or when sustaining any injury or loss as a pedestrian.

Footnote: (all underlined language is new)