

Library Note:

This set of minutes is missing an undetermined amount of pages at the end of the meeting. Page 13 is the last page and there is no indication at the bottom of that page that the meeting was adjourned. The bill action sheets attached to the meeting also show that Senate Bill 577 was acted upon, but this bill is not in the existing 13 pages of minutes. There is also a document labeled "Exhibit E" with a note that it be attached to these minutes, but there is no mention of any exhibits in the existing minutes pages.

There are no additional pages in the microfiche that are not included with the original minutes, so the Library can only assume that the pages have been lost.

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7/19/2012

Library

MEMBERS PRESENT: Mr. Stewart
Mr. Sader
Mr. Banner
Mr. Chaney
Ms. Foley
Mr. Thompson
Mr. Beyer
Mrs. Cafferata
Mrs. Ham
Mr. Malone

MEMBER ABSENT:

Mr. Price

GUESTS PRESENT: W. Bob Shriver, Nevada Trail Lawyers, Association
W. Labadie, State Welfare
G. Handley, State Welfare
Mary Lee, State Welfare
Bill Furlong, State Welfare
Tom Huddleston, State Fire Marshal
Mel Close, Senator

SB 453 - Authorizes certain investment of surplus in trust fund for child welfare on behalf of child. (BDR 38-1328)

Bill Labadie, State Welfare Division, said under current law any funds held in trust for any child they have in care are not in interest bearing trust accounts. There has never been a law that would allow this. SB 453 will give them authority to place all the funds for children under their care in interest bearing accounts; some are fairly large accounts. There are now 145 children with money in accounts, the amounts vary from \$25 to \$10,000. Twenty children will qualify under this bill because their accounts are in excess of \$500. There is no reason why these accounts should not bear interest. He urges passage of SB 453.

Mrs. Ham asked the source of the money and was informed by Mr. Labadie that most of it came from SSI, which is a supplemental security income for aged, blind and disabled. They have many mentally retarded children who are in their system rather than in a mental health facility. Some of the money comes from social security of a deceased parent; some from veteran's benefits.

He added, in reference to another proposed measure this was one of the reasons why he did not believe parental rights should be terminated in every case; because some time in the future it could be financially detrimental to the children.

Mr. Banner moved to Do Pass SB 453; Mr. Thompson seconded the motion; motion carried unanimously. Messers Chaney, Price and Beyer were absent for the vote.

SB 520 - Sets time limit for bringing certain actions for malpractice and reduces time limit for certain other actions. (BDR 2-1313)

Bob Shriver, Nevada Trial Lawyer's Association, said the bill sets time limit for bringing certain actions of malpractice against accountants, attorneys and veterinarians to the absolute four year statutes similar to what the providers of health care have now. The provision on page 3 of the bill beginning with line 16 was not intended to be amended to four years. The reason they do not want to have the same statute of limitations for building contractors. They feel that the four year statute should not be applied to everyone. Construction problems may not surface for some time after the completion of a project and four years is too short a time. They recommend leaving NRS 11.205 exactly as it was.

Mrs. Cafferata asked if the same testimony was given to the Senate Committee. Mr. Shriver answered in the affirmative and said the only one concerned had been Chairman Close. At the time he thought the four year limitation should include building contractors. Mr. Shriver said before he could obtain information to substantiate his position there had been a floor vote on the measure. If the Assembly Committee has a problem they have no objections to moving attorneys to six years to coincide with building contractors. Presently there is not a limitation. It is somewhat unfair to have veterinarians with an unlimited malpractice liability. The idea was to afford some protection in the form of a statute of limitations to bring accountants, attorneys and veterinarians in line with medical profession. Sections 1 and 2 coincides with the statute of limitations for those in health care.

Mr. Sader remarked on a phrase in the measure, a time limitation of four years after the client sustains or discovers the damage, that is a major provision because normally time limitations begin at the time the act occurs. In some cases the time limitation runs from the time one should reasonably discover the damage. That is a big difference, for instance with attorneys and accountants and in some cases, doctors. One doesn't reasonably know one has been wronged until a long time after the event occurs.

Mr. Shriver agreed the physicians' statute was more strict.

Mr. Sader said this proposed limitation was less strict in that it creates a longer period of time to institute an action.

Mrs. Ham asked to have explained again the reason for the limitation.

Mr. Sader said there was a theory of long standing that one should be required to bring ones case within a definite period of time. It is not fair to be indefinitely liable. The question has always been how long a period of time should it be within which a suit can be filed. In California it is one year; in Nevada it is within two years with certain exceptions, and this is one of the exceptions. The normal is a two year period of limitations. That is two years from the time the accident occurs.

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Mr. Sader proposed amendment to the construction phrase that changes it from six years to four years. He moved for an amendment to change it back to six years.

Mr. Thompson seconded the amendment; and added that it was true in construction, particularly design and quality control, that a long period of time was required for problems to surface and it could be a tremendous financial impact to the owner of a building. There could be millions of dollars of damage that did not come to light in the four year period, and they should have cause of action for a law suit.

Mr. Sader moved to amend SB 520 and Mr. Thompson seconded the motion; the motion to amend carried unanimously. Messers Chaney, Price and Beyer were absent for the vote.

Ms. Foley made a motion to amend and Do Pass SB 520; Mr. Sader seconded the motion; motion carried unanimously. Messers Price, Chaney, and Beyer were absent for the vote.

SB 199 - Revises laws relating to consents for adoption and subsidized adoptions. (BDR kk0k75(

Mary Lee, Nevada State Welfare Division, said section 1 of SB 199 is included because of a change being made in another section of the bill. Section 2, page 2, line 1 and 2 would allow for the payment of attorneys fees and court costs in adoption procedures when the adoptive family is eligible for an adoption subsidy. In the past they have usually found attorneys willing to waive the fee for low income families that were adopting a child with a special need. For example a child over the age of 9, a child with a serious behavior problem or mentally retarded, or a sibling group. In recent times this has become difficult. They expect there will be only one or two cases a year.

Mrs. Cafferata asked the source of the money and was informed it came out of the funding for subsidized adoptions - a state source.

Mr. Banner asked the procedure and the need for an attorney. Ms. Lee answered that the need was to handle the actual finalization of the adoption; the filing of the petition to adopt and to be in court at the time.

Mr. Sader asked why a state attorney would not be available for this purpose.

Ms. Lee said they could not serve in that capacity.

Mr. Sader asked if the situation under consideration involved a special child in the ward of the state in which there were adoptive parents.

2074

Ms. Lee said that it was the situation in which the child was in their custody and they were recommending placement.

Mr. Bill Labadie of the Welfare Division said that in most cases it would be a foster parent who had the care of the child for some-time and had decided to adopt but did not have the money for the legal requirements. That is why they receive a subsidy from the Welfare Department. This subsidy is mostly for medical care. In addition to subsidy for medical care this measure would allow payment to an attorney to finalize the adoption.

Ms. Lee continuing said section 3 was adding the term "hospital" to the definition of those persons or corporations, etc., that must comply with chapter 127 regarding notification prior to placement involving an independent adoption. They have been complying with the section in Chapter 422.

Mr. Stewart asked how the hospital became involved in the adoption procedure, and Ms. Lee responded that employees of the hospital have been arranging and helping in the placement of children and independent adoptions. That is the problem.

Mr. Stewart asked if they were children born in the hospital or children being treated. Ms. Lee answered it was new born children relinquished by the mother. Instead of referring them to an adoption agency, they help with the placement, which is in violation of the law. The hospitals had indicated they were not required to comply with Chapter 127. They feel the Chapter does not apply to them. The Welfare Department is attempting to clarify the statute to preclude such interpretations. They will not be authorized to arrange placement for independent adoptions. They will have to notify the Welfare Division prior to placement. If the Division approves then the hospital can release the child as authorized; otherwise they could only release the child to the the Welfare Division while the prospective adoptive family is studied to ascertain suitability for adoption of a child. By statute this process cannot take more than 60 days. During this time the child has to remain with the mother or be placed in a foster home pending completion of the investigation. The study is usually completed within 30 days.

Mrs. Ham commented that if the mother kept the baby for 30 days she would change her mind and keep the baby and asked if there was a provision that prevented this.

Ms. Lee said she did not know of any instances where the mother had actually opted to keep the baby for the length of time of the study. The child goes into a foster home. Every effort is made to complete as soon as possible the study. She added if they were notified prior to the birth of the child, the study would be made immediately and the was placed right out of the hospital. There are situations where the Welfare division is not notified until after the child is placed in the adoptive home.

Mrs. Ham said the mother could not relinquish the child before birth.

Mrs. Ham then asked how information was obtained for the study.

Ms. Lee agreed the child could not be relinquished before birth but if the mother indicated she planned to give the baby to a particular family, the Welfare Division would begin the study prior to birth even though there is the possibility that the mother will change her mind.

Mr. Thompson asked if that did happen, and the hospital placed the child, would not the Division do a study on the adoptive parents when they learned of the incident.

Ms. Lee said a study was made but the hospital was violating the law. Their concern is protection of the child. They are concerned about children being placed with persons that have not been investigated as to their suitability as parents. That is why they try, when possible to have the family studied before the child is placed.

Mr. Thompson asked if there had ever been an incident in which the child was placed by a hospital and the Division later found the adoptive parents unsuitable. Ms. Lee replied that had happened. The courts, for the most part, will not remove the child if the child has been in the home for any length of time unless it can be proved that there is severe abuse in the home or like situation.

Mrs. Cafferata questioned the grounds for unsuitability and was informed that an adoptive father with a criminal record was an example. Occurrences are not frequent but a child can get in an unfit home.

In response to a question from Mrs. Cafferata, Ms. Lee researched her records and said that 53 families received children through independent adoptions in 1980. One of these families was found unsuitable. There more than 53 children involved. Some of the families adopted sibling groups. The majority are new born.

Mrs. Ham asked if a relative of child adopted the child, would they have to go through the same process and was informed that if it were a relative situation the court could waive the investigation.

Mr. Stewart asked the categories of adoption other than independent adoptions, and Ms. Lee replied the other was agency adoption. If the child was under the custody of the Welfare they placed the child.

Mr. Sader asked if a hospital employee recommended an adoptive family would the Welfare Division investigate the family and Ms. Lee said they would.

Ms. Lee referring to Section 4 of SB 199, said currently the statute did not allow for nullifying a consent to a specific independent adoption. If the court finds the family is unusuitable and does not remove the child, there is nothing in the statute to nullify that consent to adoption that the birth parents have signed to that specific family. This would add that provision into law where the court could nullify that consent if they did find the adoptive

family unsuitable. Then the child could revert to the parent or the court could place the child with the Division to find another adoptive home, or could place the child with any licensed adoption agency.

Ms. Lee referring to the final section 5, added there was a cross reference in section 449 to Chapter 127 to make it very clear that hospitals must also comply with the chapter. Section 449 deals with the fact hospitals are supposed to notify the Welfare Division whenever any child is being removed by anyone other than parents or relatives.

Mrs. Cafferata said she was not going to vote for this bill

Mr. Sader moved to Do Pass SB 199; Mr. Malone seconded the motion; Messers Stewart, Sader, Banner, Thompson, Malone and Ms. Foley and Mrs. Ham voted "aye"; Ms. Cafferata voted "no". Messers Chaney, Price, and Beyer were absent for the vote. Motion Carried.

SB 253 - Allows district attorney to assess fees against applicant for child support or establishment of paternity who is not indigent.

Bill Furlong, with the family judiciary said the purpose of SB 253 was to increase the resources, not to state government but to local units of government, particularly the district attorneys office, in addressing the non-support cases that are before them. Even though the programs made great strides toward increasing the effectiveness of collections throughout the State of Nevada, they find that the local units of government particularly the professional staffs of the attorneys are still understaffed. There is a full time equivalent of approximately four attorneys to work over 20,000 cases both in and out of state. This is a poor time to attempt to gain additional resources from county commissioners. This bill places the responsibility for funding of those programs unto persons that create the problems - the absent parent that will not hold himself responsible for providing support for his children.

Mr. Furlong, continuing, said section 1 of the bill modifies Chapter 126, the paternity statutes, and subsection 1 of section 1, is only for clarification. They make no substantive changes in the chapter. In subsection 2, they provide the district attorneys with the authority to charge a \$20 application fee whenever a case is brought before them except cases brought by the State of Nevada. Subsection 3 provides authority for the court to order a collection fee up to 25% of the support obligation given against any responsible parent.

Mr. Stewart asked if this fee came out of the support money itself. Mr. Furlong said it did not. This was an add-on.

Ms. Foley asked why the 25%. Mr. Furlong said the 25% figure was to give the court latitude in those cases where there might be gross abuse of the system, such as an absent parent with adequate resources to address the needs of the family and yet consistently failed to meet his support obligation. This will allow the court a method of making that absent parent pay for the repetitious appearances before

that court.

Mrs. Cafferata asked if 25% were reasonable, if this was a penalty or the costs. Mr. Furlong answered that this was "not more than 25%; the court has discretion. They could set that amount at nothing because some absent parents might have the ability to pay nothing and others may pay less than 25%. The court could assess as much as 25%.

Mr. Stewart said he doubted the fees collected would pay the costs of proceedings, the attorneys fees, the courts.

Mrs. Cafferata asked what happend to the money. Mr. Furlong responded subsection 4 provides that all money collected must be deposited in the general fund of the county and an equivalent amount must be allocated to augment the county's program for the enforcement of support obligations; so any monies assessed against that responsible parent would then be utilized to improve the Title 4d program in that county.

Mr. Sader observed that the 25% figure pertained to the support obligation and asked when one suing for support, and two types of support were involved- the arrears already accumulated and the continuing regular monthly obligation - to which obligation does the 25% apply.

Mr. Furlong said the 25% applied to the ongoing support obligation. MR. Sader continued trying to clarify the fee. He was told the 25% or whatever amount was assessed as a fine would increase each months support payment by the amount of the fine, until the court decided to remove the increased amount.

Mr. Sader said he understood the intent and thought it reasonable but was concerned that the language in the bill may not be clear.

Mr. Furlong said that the intent is to give the courts the authority to make the determination of the fines and their duration. He felt the courts would insure that the fines were equitable.

Mrs. Cafferata, referring to subsection 4, asked the source of the money. She was informed by Mr. Furlong that that money came out of the general fund. The monies would be deposited into the general fund as Title 4d collections and this particular statute requires that the board of county commissioners then reallocate that same amount of money back to the Title 4d program within their district attorney office. For clarification Ms. Cafferata noted it was the same money and not additional "matching" funds.

Mr. Sader proposed an amendment, adding he was not sure of the language as yet but on lines 16 through 19, and it would apply to the other section also, to the effect that "in addition to any support obligation order, the collection fee to cover the cost of enforcement would be assessed and if the court determines that the non-supporting parent cannot pay that fee immediately, that the collection fee be assessed in an amount up to 25% of the ongoing support obligation until the cost of enforcement is satisfied.

2078

Mrs. Cafferata asked if this amendment made the 25% fee mandatory. Mr. Sader replied "no". That for example, the court determines it will cost \$1000 to bring this particular person to justice, if the non-supporting parent is capable of paying the \$1000 immediately there is no reason to require the state to collect it in the future. This increases the costs. If it is not feasible to pay the entire amount immediately because offending parent does not have the money, then the assessment could be up to 25% of the amount the parent is obligated to pay in monthly support until the enforcement costs are paid in full. It will be a one time fee paid immediately or made in monthly payments not to exceed 25% of the monthly support payments.

Mrs. Cafferata seconded the motion to amend SB 253 made by Mr. Sader; motion carried unanimously. Messers Beyer, Price, Chaney and Banner were absent for the vote.

Mrs. Cafferata moved to Do Pass as amended SB 253; Mr. Malone seconded the motion; motion carried unanimously. Messers Beyer, Price, Chaney and Banner were absent for the vote.

AB 246 - Adds to provisions for assignment of wages of responsible parent for child support. (BDR 38-813)

Mr. Sader said he had had this measure on his desk for sometime. It deals with child support and assignment of wages. Several people have testified on the bill and the fact that it was needed to provide reinforcement of child support through the assignment of wages. There was a companion bill from the Senate which had better language and the bill sponsor, Assemblyman Dubois, agreed to incorporate parts of SB 252 into AB 246. The bill still indicates that Mr. DuBois is the sponsor. The Senate has concurred in this action. There are provisions that involve "notice" to the employer and the delinquent parent which Welfare thought very important. These were included in the bill. At this point they have the Senate Bill with extra notice provisions which insure both the employer and parent will have adequate notice and the procedure is set up if they wish to dispute this. This is Amendment Number 843.

Mr. Sader moved to adopt amendment number 843 and Do Pass as amended AB 246; Mrs. Cafferata seconded the motion; motion carried unanimously. Messers Price, Chaney and Banner were absent for the vote.

SB 526 - Authorizes state fire marshal to issue subpoenas and administer oaths whenever required to conduct investigation.

Tom Huddleston, State Fire Marshal, said the bill was instigated on the advise of the chief deputy attorney general assigned to their division. When they make arson investigations it is sometimes very difficult to secure records needed. He cited examples that involved wrongful death suits. Often the companies are willing to supply the information only under subpoena. This is for their legal protection. The Senate did not indicate any problems but specified proper notification, and Mr. Huddleston has no objections to that restriction. They would like the ability to issue subpoenas when necessary.

2079

Mr. Malone asked the objection to going through the district attorney's office.

Mr. Huddleston said their biggest problem was that most district attorneys were not conversant with arson laws or the various aspects of arson investigation. At present they do without much vital information and as a consequence they are close to the statutory limitations for filing charges of unlawful acts.

Ms. Foley said she had to be consistent. They had decided not to give this power to the attorney general or the district attorneys and she could not agree to giving the subpoena power to the state fire marshal. They are not accountable to the people for their actions.

Mr. Huddleston said he felt sure there were checks and balances. If the statute were abused he would be reprimanded. He does not object to any type of qualifier or rider the committee makes a part of the bill. If the issuance of the subpoena were through the attorney general's office or the local district attorney there were still no objections from his office. There is a valid need for the availability of information necessary to the successful completion of their investigations. He said he did not understand the reasoning behind the denial of subpoena powers to the attorney general or district attorney.

Ms. Foley answered that they could subpoena documents and records in any civil or criminal investigation which they determined might be relative to an investigation. They only had to show the district judge that the person had knowledge of the information and nothing more.

Mr. Huddleston said that to some extent there were parameters in this bill to the effect that this power can only be used in the instance where they are required by law to investigate in counties of less than 100,000 population and only when there is a suspicious fire or fire death involved. Senator Kosinski had asked that they notify the district attorney in the area where they planned to issue a subpoena. They would not take any actions without first consulting with their legal counsel.

Mrs. Ham asked the frequency and the reasons for the use of subpoena power. Mr. Huddleston answered the subpoena power was needed for about 30% of their cases. The reasons ranged from the need to inspect the insurance policy to an analysis of the books to determine if the company was operating at a profit prior to the fire. There were a number of valid reasons to secure records. Mr. Huddleston and Mrs. Ham discussed the legal powers of the insurance companies to conduct investigations. The insurance may or may not choose to share the information with the fire marshal's office.

Mr. Stewart explained that the committee was reluctant to increase subpoena powers.

Mr. Huddleston said he did not draft the bill. He only asked that

they be given consideration for subpoena power. He has no problems with whatever qualifiers the committee added to the bill. He only asked that they be given consideration for subpoena power. In response to a question from Ms. Foley he said they were peace officers. They arrest felons for crimes such as arson, bombings, etc. Mr. Stewart added that all arson investigators did have peace officer status.

Ms. Foley questioned if his investigators would be the only ones in a position to issue subpoenas for arson type crimes and Mr. Huddleston confirmed this, adding the power to subpoena would enhance the investigation processes.

SB 580 - Requires marriage license to bear the seal of the county.

Senator Close said the only change in SB 580 was on page 2, line 8 and 9. There is no seal for the district court; the seal is for the county.

Ms. Foley moved to Do Pass SB 580; Mr. Malone seconded the motion.

Mrs. Ham asked for an explanation of the bill. Senator Close said the obligation to put the seal of the district court judge on marriage certificates was being removed. There is no seal of the district court judge. The county clerk affixes her seal on the marriage license.

Ms. Foley pointed out that according to statute the district court judge did have a seal. Discussion followed. Senator Close said the seal was not used because the marriage license was issued by the clerk, not the court.

Ms. Foley had moved to Do Pass SB 580 and Mr. Malone had seconded the motion. There was no further discussion. The committee voted unanimously in favor of the motion; motion carried. Messers Sader, Banner, Price, Beyer and Mrs. Cafferata were absent for the vote.

SB 579 - Removes duplicative statutory language and supplies omitted provision concerning marriage.

Senator Close said that language on lines 9 through 11 is a duplication of language otherwise contained in the statutes. On page 2, lines 2 and 3, is the bill drafters change; lines 5 through 8 clarifies the statute. The present statute says that "if any of the persons intending to marry is under age and has not been previously married, the clerk shall issue a license." That is not the case. If one is underage one may be required to have a district court's consent. The language that is added provides that "if any person who is underage intends to marry and the authorization of a district court is not required the clerk shall issue the license." Line 16 clarifies the clerk's authority to issue a license to a minor only if the county clerk has the authorization in writing from the district court. The real problem appears in paragraph 4, page 2, lines 5 through 8, which provides that people who are underage can be married without getting an authorization and this clarifies that.

Mr. Chaney asked if this meant the district court must authorize marriage for those underage even if they have parental consent.

Senator Close said he thought if one were under 15 or 16 years of age they had to have court authority.

Mr. Chaney asked what was "underage."

Senator Close replied "18". If between ages of 16 and 18 years of age one can be married with the parents consent. Below 16, one must have parents consent and approval of the district court. A problem with the bill was that it indicated if one were underage and the parents gave consent the marriage could take place. That is not the case. They must also have the district court consent if they are under the age of 16.

Mr. Malone moved to Do Pass SB 579; Ms. Cafferata seconded the motion; motion carried unanimously. Messers Banner, Price and Sader were absent for the vote.

Ms. Foley moved to indefinitely postpone SB 526.

Mr. Malone requested discussion. He said this was a different situation. Even if it were amended it is different than giving the attorney general or the district attorney an open subpoena to use as they choose. This is only to do with arson. By not giving them subpoena power it is restricting their investigation. He wonders if they should restrict them completely. He is up to the statute of limitations on investigations that involved deaths. If this is postponed it is possible he will not be able to complete the investigation.

Mr. Chaney said he thought that in cases where investigations were needed, there was no problem.

Ms. Foley said with the insurance bill, they had access to that information, (referring to a bill that has been passed). Also consider "who is the state fire marshal". Here is this person no one knows, and he is asking for subpoena powers that the attorney general and the district attorneys who are accountable to the people do not have. If the legislators opposed giving these powers to them, they should be consistent. They can go to the district court judge and convince him that it was justified. It was not an urgent situation. No one is in danger.

Mr. Thompson said he agreed with Ms. Foley. The state fire marshal did not have to answer to anyone. It was not necessary that he have that power. He can get subpoena's now through the normal procedures just like everyone else.

Mr. Stewart called for the question.

Ms. Foley had moved to indefinitely postpone SB 526. Mr. Thompson seconded the motion; motion carried unanimously. Mr. Banner and Mr. Price were absent for the vote.

(Committee Minutes)

2082

SB 414 - Limits requirements for termination of employment of persons denied gaming license (BDR 41-986)

Mr. Stewart explained that this was a measure brought about by the Rosenthal case. There was some question about the language appearing on lines 20 and 21. It says if you revoke his suitability, he could not be employed in any place, terminates employment in the particular capacity in which he is determined by the commission to exercise his influence. Mr. Stewart said Mr. Daykin had said the better language would be "in the capacity for which he may be required to be licensed".

Mr. Malone made the motion to amend SB414 per Mr. Daykins recommendation; Mr. Sader seconded the motion; motion carried unanimously. Messers Banner and Price were absent for the vote.

Mr. Malone made a motion to Do Pass SB 414 as amended; Mr. Chaney seconded the motion; motion carried unanimously. Mr. Banner and Mr. Price were absent for the vote.

SB 645 - Provides procedure for local investigation of applicants for gaming licenses. (BDR 412072)

There was committee discussion to the effect that there were too many problems with this bill. Ms. Foley said at the end of previous discussion they had decided that there was no reason for the bill. She added she did not understand why they could not review the application and return it within a certain period. Mr. Stewart agreed with Ms. Foley. The committee was concerned about the confidentiality of information contained on the application.

Senator Mel Close testified the application form has to be given to the county. They have provided there is to be one basic form. That one basic form goes to the county or city, and also to the State. The State and the county get the same form. The county, if they so choose can have an addendum requesting additional information they think they need to license an applicant.

Mr. Stewart commented that once the application was received by the county or city that that entity must keep it confidential. Senator Close said he presumed they have ordinances now requiring it be confidential. He did not see that as being a problem.

Ms Foley explained she feared law enforcement agencies would not share information with the county if it were in written form. Now the information is shared on an informal basis, not in written form.

Senator Close said that during the subcommittee hearings this was discussed at length. There was a time when there was no sharing of information. They were told that they do share the information now. There is no reason not to. There are two choices; either they allow access to that information to which they are entitled, which they have not had in the past; or allow the county to develop its own licensing and investigative staff. The subcommittee felt the better way was to let the State conduct the investigation. After the

completion the only way the county can make a determination unless they want more investative powers is to have access to this information. Senator Close said he thought it was good political science to have one investigative authority in the State rather than have every county have their own investigative police force. It is costly, will not always be done well, the investigative arm of local entities will have to be expanded considerably. They were told in subcommittee, state agencies were willing to share completely their information.

Ms. Foley said the state investigative agencies had indicated they wouldn't mind the wording "the State 'may' make the investigation but not 'shall'." The county was concerned about the FBI withholding information.

Senator Close said "may" means they can withhold pertinent information which the county may require to make their decision. That question had not been raised before the Senate. The decision that was made in the subcommittee was that it was better political science to have one agency conduct an investigation. The FBI with their extensive manpower can go worldwide, and then share that information with the county. Let the county decide if they are willing to accept it. If they are not, do not make the applicant undergo further investigation by the county, except in the particular cases where they feel that the state has not done a good job. Now they can conduct full investigations, duplicating efforts of the state and national agencies.

Mr. Chaney said he felt the problem was the sharing of information but the 30 day period the county had in which a decision to be made as to whether or not an investigation would be made was too long. The county could wait until the very end of that period and then begin the investigation; thus delaying the project unreasonably.

Senator Close explained that at present the state conducts the investigation; they approve the applicant; the applicant then applies to the county; the county repeats the process. The project can be held up for much longer than 30 days, as much as 6 or 7 months.

Mr. Malone made a motion to Indefinitely Postpone SB 645; Ms. Foley seconded the motion; motion carried unanimously. Messers Beyer, Price Sader, Chaney and Mrs. Cafferata were absent for the vote.

SB 39 - Reduces duplication of state and local investigation for gaming licenses (BDR 41-452)

Mr. Thompson said SB 39 was acceptable if section 3 were omitted.

Mr. Malone said he had a question on control, jurisdiction and suitability on the form.

Ms. Foley remarked some of the counties had done this and put it in an ordinance. This measure insured the form would be used by all.

2084

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: May 19, 1981

SUBJECT: SB 453

Authorizes certain investment of surplus in trust fund for child welfare on behalf of child (BDR 38-1328)

MOTION:

DO PASS XX AMEND _____ INDEFINITELY POSTPONE _____
RECONSIDER _____

MOVED BY: Mr. Banner SECONDED BY: Mr. Thompson

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	<u>YES</u>	<u>NO</u>	<u>YES</u>	<u>NO</u>	<u>YES</u>	<u>NO</u>
Thompson	<u>X</u>	---	---	---	---	---
Foley	<u>X</u>	---	---	---	---	---
Beyer	---	---	---	---	---	---
Price	---	---	---	---	---	---
Sader	<u>X</u>	---	---	---	---	---
Stewart	<u>X</u>	---	---	---	---	---
Chaney	---	---	---	---	---	---
Malone	<u>X</u>	---	---	---	---	---
Cafferata	<u>X</u>	---	---	---	---	---
Ham	<u>X</u>	---	---	---	---	---
Banner	<u>X</u>	---	---	---	---	---
TALLY:	<u>8</u>	<u>0</u>	---	---	---	---

ORIGINAL MOTION: Passed X Defeated _____ Withdrawn _____
AMENDED & PASSED _____ AMENDED & DEFEATED _____
AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF May 19, 1981

Assembly Judiciary

SB 453
D.P.

2085

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: May 19, 1981

SUBJECT: SB 520 - Sets time limit for bringing certain actions for Malpractice and reduces time limit for certain other actions. (BDR 2-1313)

MOTION:

DO PASS X AMEND _____ INDEFINITELY POSTPONE _____
RECONSIDER _____

MOVED BY: Ms. Foley SECONDED BY: Mr. Sader

AMENDMENT: Page 3 line 16 change phrase applying to construction from four years to six years

MOVED BY: Mr. Sader SECONDED BY: Mr. Thompson

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	_____	_____	_____	_____	_____
Foley	<u>X</u>	_____	_____	_____	_____	_____
Beyer	_____	_____	_____	_____	_____	_____
Price	_____	_____	_____	_____	_____	_____
Sader	<u>X</u>	_____	_____	_____	_____	_____
Stewart	<u>X</u>	_____	_____	_____	_____	_____
Chaney	_____	_____	_____	_____	_____	_____
Malone	<u>X</u>	_____	_____	_____	_____	_____
Caiferata	<u>X</u>	_____	_____	_____	_____	_____
Ham	<u>X</u>	_____	_____	_____	_____	_____
Banner	<u>X</u>	_____	_____	_____	_____	_____
TALLY:	<u>8</u>	<u>0</u>	_____	_____	_____	_____

ORIGINAL MOTION: Passed _____ Defeated _____ Withdrawn _____
AMENDED & PASSED XX AMENDED & DEFEATED _____
AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF May 19, 1981

Assembly Judiciary

2086

SB 520
D.P

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: May 19, 1981

SUBJECT: SB 199- Revises laws relating to consents for adoption and subsidized adoptions. (BDR 11-186)

MOTION:

DO PASS XX AMEND _____ INDEFINITELY POSTPONE _____
 RECONSIDER _____

MOVED BY: Mr. Sader SECONDED BY: Mr. Malone

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	—	—	—	—	—
Foley	<u>X</u>	—	—	—	—	—
Beyer	—	—	—	—	—	—
Price	—	—	—	—	—	—
Sader	<u>X</u>	—	—	—	—	—
Stewart	<u>X</u>	—	—	—	—	—
Chaney	—	—	—	—	—	—
Malone	<u>X</u>	—	—	—	—	—
Cafferata	—	<u>X</u>	—	—	—	—
Ham	<u>X</u>	—	—	—	—	—
Banner	<u>X</u>	—	—	—	—	—
TALLY:	<u>7</u>	<u>1</u>	—	—	—	—

ORIGINAL MOTION: Passed XX Defeated _____ Withdrawn _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF May 19, 1981

SB 199
 D.P.

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: May 19, 1981

SUBJECT: SB 414 - Limits requirements for termination of employment
of persons denied gaming license. (BDR 41-986)

MOTION:

DO PASS _____ AMEND XX INDEFINITELY POSTPONE _____
RECONSIDER _____

MOVED BY: Mr. Malone SECONDED BY: Mr. Sader

AMENDMENT: Lines 20 and 21, change to: in the capacity for which
he may be required to be
licensed.

MOVED BY: _____ SECONDED BY: _____

~~XXXXXXXXXX~~
~~AMENDMENT~~

MOTION: Do Pass as amended. Moved by Mr Malone, seconded by
Mr. Chaney.

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	---	---	---	---	---
Foley	<u>X</u>	---	---	---	---	---
Beyer	<u>X</u>	---	---	---	---	---
Price	ABSENT	---	---	---	---	---
Sader	<u>X</u>	---	---	---	---	---
Stewart	<u>X</u>	---	---	---	---	---
Chaney	<u>X</u>	---	---	---	---	---
Malone	<u>X</u>	---	---	---	---	---
Cafferata	<u>X</u>	---	---	---	---	---
Ham	<u>X</u>	---	---	---	---	---
Banner	ABSENT	---	---	---	---	---
TALLY:	<u>9</u>	<u>0</u>	---	---	---	---

ORIGINAL MOTION: Passed XX Defeated _____ Withdrawn _____

AMENDED & PASSED XX AMENDED & DEFEATED _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF May 19, 1981

ASSEMBLY JUDICIARY

SB 414
Amnd, DP

2088

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: May 19, 1981

SUBJECT: SB 253 - Allows district attorney to assess fees against applicant for child support or establishment of paternity who is not indigent.

MOTION:

DO PASS AMEND XX INDEFINITELY POSTPONE
 RECONSIDER

MOVED BY: Mr. Sader SECONDED BY: Cafferata

AMENDMENT: lines 16 through 19 and also to apply to other section; to the effect that in addition to any support obligation order, the collection fee to cover the cost of enforcement would be assessed and if the court determined that the non-supporting parent cannot pay that fee immediately, that the collection fee be assessed in an amount up to 25% of the ongoing support obligation until the cost of enforcement is satisfied.

MOVED BY: SECONDED BY:

~~AMENDMENT~~

MOTION TO DO PASS as amended. Moved by Mrs. Cafferata seconded by Mr. Malone

MOVED BY: SECONDED BY:

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Foley	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Beyer	absent	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Price	absent	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Sader	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Stewart	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Chaney	absent	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Malone	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cafferata	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ham	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Banner	absent	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TALLY:	<u>7</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ORIGINAL MOTION: Passed Defeated Withdrawn
 AMENDED & PASSED AMENDED & DEFEATED
 AMENDED & PASSED AMENDED & DEFEATED

ATTACHED TO MINUTES OF May 19, 1981

SB. 253
Amnd. D. P.

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: May 19, 1981

SUBJECT: AB 246 - Adds to provisions for assignment of wages of responsible parent for child support. (BDR 38-813)

MOTION:

DO PASS _____ AMEND X INDEFINITELY POSTPONE _____
 RECONSIDER _____

MOVED BY: Mr. Sader SECONDED BY: Mrs. Cafferata

AMENDMENT:

Amend number 843

MOVED BY: _____ SECONDED BY: _____

~~AMENDMENT~~ moved by Mr. Sader; seconded by Mrs. Cafferata

MOTION: To adopt amendment number 843 and Do Pass as amended.

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	—	—	—	—	—
Foley	<u>X</u>	—	—	—	—	—
Beyer	<u>X</u>	—	—	—	—	—
Price	absent	—	—	—	—	—
Sader	<u>X</u>	—	—	—	—	—
Stewart	<u>X</u>	—	—	—	—	—
Chaney	absent	—	—	—	—	—
Malone	<u>X</u>	—	—	—	—	—
Cafferata	<u>X</u>	—	—	—	—	—
Ham	<u>X</u>	—	—	—	—	—
Banner	ABsent	—	—	—	—	—
TALLY:	<u>8</u>	<u>0</u>	—	—	—	—

ORIGINAL MOTION: Passed X Defeated _____ Withdrawn _____
 AMENDED & PASSED XX AMENDED & DEFEATED _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF May 19, 1981

ASSEMBLY JUDICIARY

2090

AB 246
 Amnd D.P.

**61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION**

DATE: May 19, 1981

SUBJECT: SB 580 - Requires marriage license to bear the seal of the county.

MOTION:

DO PASS XX AMEND _____ INDEFINITELY POSTPONE _____
RECONSIDER _____

MOVED BY: Ms. Foley SECONDED BY: Mr. Malone

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	---	---	---	---	---
Foley	<u>X</u>	---	---	---	---	---
Beyer	absent	---	---	---	---	---
Price	absent	---	---	---	---	---
Sader	absent	---	---	---	---	---
Stewart	<u>X</u>	---	---	---	---	---
Chaney	<u>X</u>	---	---	---	---	---
Malone	<u>X</u>	---	---	---	---	---
Cafferata	absent	---	---	---	---	---
Ham	<u>X</u>	---	---	---	---	---
Banner	absent	---	---	---	---	---
TALLY:	<u>6</u>	<u>0</u>	---	---	---	---

ORIGINAL MOTION: Passed XX Defeated _____ Withdrawn _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF May 19, 1981

Assembly Judiciary

SB-580
D.P

2091

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: May 19, 1981

SUBJECT: SB 579 - Removes duplicative statutory language and supplies omitted provision concerning marriage.

MOTION:

DO PASS X AMEND _____ INDEFINITELY POSTPONE _____
RECONSIDER _____

MOVED BY: Mr. Malone SECONDED BY: Mrs. Cafferata

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	___	___	___	___	___
Foley	<u>X</u>	___	___	___	___	___
Beyer	<u>X</u>	___	___	___	___	___
Price	absent	___	___	___	___	___
Sader	absent	___	___	___	___	___
Stewart	<u>X</u>	___	___	___	___	___
Chaney	<u>X</u>	___	___	___	___	___
Malone	<u>X</u>	___	___	___	___	___
Cafferata	<u>X</u>	___	___	___	___	___
Ham	<u>X</u>	___	___	___	___	___
Banner	absent	___	___	___	___	___
TALLY:	<u>8</u>	<u>0</u>	___	___	___	___

ORIGINAL MOTION: Passed XX Defeated _____ Withdrawn _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF May 19, 1981

SB 579
D.P.

Assembly Judiciary

**61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION**

DATE: May 19, 1981

SUBJECT: SB 526 - Authorizes state fire marshal to issue subpoenas and administer oaths.

MOTION:

DO PASS _____ AMEND _____ INDEFINITELY POSTPONE XX
RECONSIDER _____

MOVED BY: _____ SECONDED BY: _____

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	—	—	—	—	—
Foley	<u>X</u>	—	—	—	—	—
Beyer	<u>X</u>	—	—	—	—	—
Price	absent	—	—	—	—	—
Sader	<u>X</u>	—	—	—	—	—
Stewart	<u>X</u>	—	—	—	—	—
Chaney	<u>X</u>	—	—	—	—	—
Malone	<u>X</u>	—	—	—	—	—
Cafferata	<u>X</u>	—	—	—	—	—
Ham	<u>X</u>	—	—	—	—	—
Banner	absent	—	—	—	—	—
TALLY:	<u>9</u>	<u>0</u>	—	—	—	—

ORIGINAL MOTION: Passed XX Defeated _____ Withdrawn _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF May 19, 1981

ASSEMBLY JUDICIARY

SB 526
I.P.P.

**61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION**

DATE: May 19, 1981

SUBJECT: SB-645 - Provides procedure for investigation of applicants
for gaming licenses. (BDR 4102072)

MOTION:

DO PASS _____ AMEND _____ INDEFINITELY POSTPONE XX
RECONSIDER _____

MOVED BY: Mr. Malone SECONDED BY: Ms. Foley

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	---	---	---	---	---
Foley	<u>X</u>	---	---	---	---	---
Beyer	ABSENT	---	---	---	---	---
Price	ABSENT	---	---	---	---	---
Sader	ABSENT	---	---	---	---	---
Stewart	<u>X</u>	---	---	---	---	---
Chaney	ABSENT	---	---	---	---	---
Malone	<u>X</u>	---	---	---	---	---
Cafferata	<u>absent</u>	---	---	---	---	---
Ham	<u>X</u>	---	---	---	---	---
Banner	<u>X</u>	---	---	---	---	---
TALLY:	<u>6</u>	<u>0</u>	---	---	---	---

ORIGINAL MOTION: Passed XX Defeated _____ Withdrawn _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF May 19, 1981

58-645 ASSEMBLY JUDICIARY
I.P.P.

**61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION**

DATE: May 19, 1981

SUBJECT: SB 39 - Reduces duplication of state and local investigation
for gaming licenses (BDR 41-452)

MOTION:

DO PASS XX AMEND INDEFINITELY POSTPONE
RECONSIDER

MOVED BY: Mr. Malone SECONDED BY: Ms. Foley

AMENDMENT:

MOVED BY: SECONDED BY:

AMENDMENT:

MOVED BY: SECONDED BY:

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Foley	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Beyer	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Price	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Sader	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Stewart	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Chaney	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Malone	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cafferata	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ham	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Banner	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TALLY:	<u>6</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ORIGINAL MOTION: Passed XX Defeated Withdrawn
 AMENDED & PASSED AMENDED & DEFEATED
 AMENDED & PASSED AMENDED & DEFEATED

ATTACHED TO MINUTES OF May 19, 1981

ASSEMBLY JUDICIARY

2095

SB-39
D.P.

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: May 19, 1981

SUBJECT: SB 577 - Removes obsolete reference relating to gaming licensing and control. (BDR 411464)

MOTION:

DO PASS X AMEND INDEFINITELY POSTPONE
 RECONSIDER

MOVED BY: Mr. Malone SECONDED BY: Mr. Stewart

AMENDMENT:

MOVED BY: SECONDED BY:

AMENDMENT:

MOVED BY: SECONDED BY:

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Foley	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Beyer	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Price	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Sader	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Stewart	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Chaney	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Malone	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cafferata	<u>absent</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ham	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Banner	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TALLY:	<u>6</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ORIGINAL MOTION: Passed X Defeated Withdrawn
 AMENDED & PASSED AMENDED & DEFEATED
 AMENDED & PASSED AMENDED & DEFEATED

ATTACHED TO MINUTES OF May 19, 1981

B-577
D.P

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WASHOE COUNTY GRAND JURY
REPORT

March 15, 1976

3/15/76
HARRY S. BRACKETT, Clerk

By P. BRACKETT
Deputy Clerk

PROPERLY EXPUNGED

*Put with Sec Minutes
of 5-19-81*



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EXHIBITS 45



P R E F A C E

The law of the State of Nevada provides:

"1. The Grand Jury must inquire into . . . the misconduct in office of public officers of every description within the county.

"2. The Grand Jury may inquire into and report on any and all matters affecting the morals, health and general welfare of the inhabitants of the county, or of any administrative division thereof, or of any township, incorporated city, irrigation district or town therein." ***

NRS 172.175.

Pursuant to the legal responsibility vested in the Grand Jury, this Jury began its investigation of the matters contained within this report in July, 1974. At the outset, the Grand Jury investigation focused upon what is commonly referred to as the Conforte Land Transaction wherein brothel owner Joe Conforte purchased approximately three hundred forty four (344) acres of property from a Sparks ranching family, and thereafter sold a portion of the property to the Convention Authority. The Grand Jury's investigation also centered upon Sparks City Government as it existed prior to the Spring elections of 1975, and upon the activities of certain members of the then Sparks City Council.

The scope of the Grand Jury's investigation broadened considerably as evidence relevant to one facet of the investigation led to new areas where additional inquiry appeared



1 warranted. As will be seen in this report, by the time that the
2 investigation was concluded, it reached not only into the
3 Sparks City Council but also to a degree into the Reno City
4 Council and the Washoe County Commission. Other public entities,
5 former public officials, and current public officials also fell
6 under the purview of the Grand Jury.

7 The Grand Jury is not issuing any criminal charges.
8 No crimes have been shown from the evidence discussed in this
9 report and the Grand Jury stresses that nothing said in this
10 report is intended to accuse, imply, or create an innuendo that
11 any person has committed a criminal offense. Because no criminal
12 charges are being issued, the Grand Jury has elected to release
13 what it considers to be an in depth report of the major areas
14 in which investigation and review were undertaken and in which
15 comment can be made.

16 Pursuant to Nevada law, the Grand Jury can report on
17 conduct which does not constitute the commission of a crime and
18 which is relevant to the health, safety and welfare of the
19 citizens of Washoe County. Not only does the Grand Jury have
20 the jurisdiction to report on such conduct, but the members of
21 this Grand Jury also believe they have an absolute obligation to
22 report their findings in this particular investigation. This
23 report represents the Grand Jury's effort in this regard and is
24 supported by the concurrence of each and every member of the
25 Grand Jury, no Grand Juror dissenting as to any part of this
26 report.

27 Because of the length of this report and the scope
28 of the Grand Jury's investigation, it is the recommendation of



1 the Grand Jurors that readers of this report carefully read it
2 in its entirety and consider the inter-relationship of each part
3 of the report with the other. Conduct reported in one portion
4 may not in itself seem particularly significant; however, the
5 Grand Jurors believe that in the context of the entire report,
6 everything contained herein is indeed relevant to an enlightened
7 understanding of the Grand Jury's investigation.

8 The Grand Jurors believe that this investigation, this
9 report, and other official action resulting from the investiga-
10 tion have been most important to the public interest and welfare
11 of the citizens of Reno, Sparks and Washoe County. Because of
12 the scope of the investigation and what the Grand Jury considers
13 to be the importance of its findings, the Jury has ordered copies
14 of this report prepared for release to any interested members
15 of the public. Copies can be obtained at either the Washoe
16 County Clerk's Office or the Washoe County District Attorney's
17 Office, both offices located in the Courthouse in downtown Reno.
18 The Grand Jury is also having copies mailed to all elected
19 officials within this community.

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THE CAPURRO-CONFORTE LAND SALE

I.
BACKGROUND

John Brooke, City Manager of the City of Sparks from July 1967 to July of 1973, appeared before the Grand Jury and testified that by 1967 officials of the City of Sparks recognized the fact that a flood control dam was needed in the City of Sparks in the area of the Capurro-Gault property located near Sullivan Lane and Wedekind Road. This dam was necessary in order to capture flood waters coming from Sun Valley. The Capurro-Gault property was the only natural place for such a dam. As a result of the City's interest in the land, Brooke contacted the Capurros to explore the possibility of the City of Sparks purchasing the land for flood control.

During 1971, Sparks Mayor James Lillard indicated an interest in pursuing the matter as a joint recreation project along with flood control. After discussing it with the Mayor, Brooke was in contact with the Capurro family and actual negotiations were begun.

II.
THE CAPURRO-GAULT SALE TO CONFORTE

James E. Smith, realtor, testified before the Washoe County Grand Jury that in approximately September of 1972, he became interested in the Capurro-Gault land as a potential real estate prospect. Mr. Smith had previously sold Joe Conforte approximately two acres of land adjoining Conforte's Sullivan



1 Lane property and considered Joe Conforte to be a logical
2 purchaser of the Capurro-Gault land because Conforte lived near
3 the Capurro-Gault land, was believed by Smith to have money,
4 and had on the occasion of the prior sale handled by Smith,
5 expressed an interest in the land in the vicinity of his
6 residence.

7 At approximately the same time, in October of 1972,
8 James Smith spoke to Mr. and Mrs. John Capurro and their son
9 Wayne Capurro, an attorney at law, who acted as spokesman for
10 the Capurro-Gault family regarding the land. Smith requested
11 that he be given an exclusive real estate listing on the
12 approximately three hundred forty four (344) acres located in
13 the vicinity of Sullivan Lane and Wedekind Road. The Capurros
14 would not give Smith an exclusive real estate listing, but did
15 assure him that the family would listen to any bona fide offer
16 to purchase that Smith might present.

17 Mr. Smith, shortly thereafter, approached Joe Conforte
18 and suggested that Conforte buy the land. Conforte was not
19 interested in the land at that time and Smith abandoned his
20 efforts to persuade Conforte to purchase the Capurro-Gault land.

21 In late October or early November 1972, Smith received
22 a phone call from Joe Conforte asking him to come to Conforte's
23 house. When Smith arrived at Conforte's, Conforte said that he
24 had reconsidered the Capurro property. Conforte said he thought
25 he had a way of putting it together and he told Mr. Smith that
26 he had it figured out so that he would buy the land and the
27 City of Sparks and the Fair and Recreation Board (Convention
28 Authority) would build a golf course. Conforte stated that he



1 would end up with about one hundred (100) acres. Conforte said,

2 "If I get it at the right price, my
3 acreage will go up to about maybe Twenty
4 Five Thousand Dollars (\$25,000.00) to
Thirty Thousand Dollars (\$30,000.00) an
acre and I'll make myself a million dollars."

5 Thereafter Smith began negotiating with the Capurros and Gault
6 on Conforte's behalf. At the same time, representatives of the
7 City of Sparks continued their discussions with the Capurros
8 and Gault about the possibility of buying their land.

9 In February of 1973, prior to the sale of the land to
10 Conforte, Sparks Councilman Gordon Foote made a motion that the
11 Sparks City Council go on record as being in favor of buying
12 the Capurro-Gault land. Sparks Councilman Vernon and Sparks
13 Councilman Lemberes voted against the City making a commitment
14 to buy the land at that time without voter approval. Shortly
15 thereafter, the Council learned that Conforte had purchased the
16 Capurro-Gault property.

17 On March 1, 1973, a deposit agreement was signed by
18 Conforte. (Exhibit No. 1) By June 7, 1973, escrow instructions
19 replaced other preliminary documents and the sale was concluded
20 shortly thereafter.

21 Approximately three hundred forty four (344) acres
22 were sold to Conforte at Five Thousand Dollars (\$5,000.00) an
23 acre for a total purchase price of One Million Seven Hundred
24 Twenty Two Thousand Twenty Five Dollars (\$1,722,025.00).
25 Also, Twenty Two Thousand Six Hundred Thirty Two Dollars
26 (\$22,632.00) was paid by Conforte for water rights. The Capurro
27 family agreed to pay a 5 percent commission in connection with
28 the sale, which commission was in the approximate amount of



1 Eighty Six Thousand Dollars (\$86,000.00). (Exhibit No. 2)

2 Mr. James Smith, an associate of Councilman Clyde
3 Biglieri and his real estate company, Washoe Realty, agreed to
4 a 5 percent real estate commission without the approval or know-
5 ledge of Washoe Realty or its owner, Reno City Councilman
6 Biglieri. When Biglieri was informed that Smith had agreed to
7 accept a 5 percent commission, he objected to the commission as
8 not being the full and customary amount. Mr. Biglieri particu-
9 larly objected when he was informed that he, Washoe Realty, and
10 James Smith would only receive Forty Thousand Dollars (\$40,000.00)
11 of the Eighty Six Thousand Dollars (\$86,000.00) commission, less
12 than one-half of the 5 percent commission to be paid by the
13 Capurros and Gault.

14 Smith had been informed by Conforte that there would
15 be no deal unless they, Councilman Biglieri and James Smith,
16 agreed to certain payments later set forth in a Letter of
17 Instructions to First Commercial Title, Inc., dated June 5, 1973.
18 (Exhibit No. 3) Those payments were to be made out of the
19 5 percent real estate commission to be paid by the Sellers,
20 Capurro and Gault.

21 Although Biglieri objected to the commission being
22 smaller than usual and being split as demanded by Conforte,
23 upon realizing that the deal would not go through unless pay-
24 ments were made as set forth in the June 5, 1973, Letter of
25 Instructions, Councilman Biglieri and James Smith agreed to
26 accept the commission and go along with the payments detailed
27 in the Letter of Instructions.

28



1 Reno City Councilman Biglieri testified before the
2 Grand Jury that he told James Smith that he thought the commis-
3 sion should be split between himself and James Smith because
4 Smith had not consulted him and obtained his approval before
5 agreeing to accept a commission that was less than the customary
6 amount obtained at Washoe Realty. Thus, after Smith agreed, he
7 received Twenty Thousand Dollars (\$20,000.00) and Councilman
8 Biglieri received Twenty Thousand Dollars (\$20,000.00).

9 The Letter of Instructions of June 5, 1973, (Exhibit
10 No. 3) was executed by Wayne Capurro, attorney for the Sellers,
11 and Stanley H. Brown, attorney for Joe Conforte, the Purchaser.
12 That Letter of Instructions divided the 5 percent commission to
13 be paid by the Capurros and Gault and pursuant to that Letter
14 of Instructions, checks were subsequently issued in the amounts
15 of Ten Thousand Five Hundred Dollars (\$10,500.00) to S.E.&A.
16 Engineers and Planners, (Exhibit No. 4); Forty Thousand Dollars
17 (\$40,000.00) to Washoe Realty, (Exhibit No. 5); Twenty Thousand
18 Dollars (\$20,000.00) to Humphreys Real Estate, (Exhibit No. 6);
19 and Sixteen Thousand One Hundred One Dollars and twenty-five
20 cents (\$16,101.25) to Joe Conforte, the Purchaser, (Exhibit
21 No. 7).

22 Nowhere in the agreements, documents of title, escrow
23 instructions, and other documents on file in connection with the
24 land transaction was there any mention of the fact that former
25 State Senator Stanley Drakulich was a real estate broker or
26 salesman with an interest in this transaction, or that he was
27 otherwise involved in the Capurro-Gault land transaction with
28 Conforte. However, former Senator Stanley Drakulich received



1 Eighteen Thousand Dollars (\$18,000.00) through William Humphreys,
2 real estate broker. (Exhibit No. 8) The check payable to Mr.
3 Drakulich was dated June 7, 1973. During the same month, Mr.
4 Drakulich paid Eighteen Thousand One Hundred Seventy Dollars and
5 fifty-three cents (\$18,170.53) in back taxes and interest
6 resulting from a criminal prosecution for failure to file a
7 Federal income tax return.

8 The fact that former Senator Drakulich received
9 Eighteen Thousand Dollars (\$18,000.00) through William Humphreys
10 was first made public on May 2, 1974, when the local newspapers
11 published that fact. (Exhibit No. 9)

12 Upon appearing before the Grand Jury, Mr. Drakulich
13 complained that a copy of the \$18,000.00 check had been provided
14 to the newspapers by Sheriff Robert Galli. Drakulich insisted
15 that the Grand Jury determine whether or not Galli had so
16 informed the press. Sheriff Galli was called before the Grand
17 Jury and testified that he did provide the information to the
18 press.

19 William Humphreys, realtor, testified that he handled
20 the Conforte transaction as a favor to Drakulich. Humphreys
21 testified that Drakulich asked him to receive the money and that
22 he, Humphreys, received Two Thousand Dollars (\$2,000.00) for
23 this favor. Humphreys testified that he knew of nothing that
24 Drakulich did to earn the Eighteen Thousand Dollars (\$18,000.00).
25 Also, Humphreys testified that he did nothing himself other than
26 meet Joe Conforte at Drakulich's request. None of the other
27 witnesses who appeared were aware of anything that Drakulich
28 had done to earn the commission.



1 Mr. Drakulich testified before the Grand Jury that he
2 heard that there was a land sale transaction taking place and
3 he approached Joe Conforte and asked Conforte if he could have
4 a commission in connection with the transaction. Conforte
5 agreed and although Drakulich was not a party to the land sale
6 negotiations which took place between Wayne Capurro, attorney
7 for Sellers, James Smith, Clyde Biglieri, and Stanley Brown,
8 attorney for Conforte, he received Eighteen Thousand Dollars
9 (\$18,000.00) through Humphreys.

10 Drakulich testified that he did virtually nothing to
11 earn the commission and asked William Humphreys to handle the
12 matter for him because he, Drakulich, was busy and involved with
13 business in the legislature.

14
15 III.
THE CONFORTE SALE TO THE CONVENTION AUTHORITY

16
17 A) The Conforte Proposal

18 After the purchase of the Capurro-Gault land by Joe
19 Conforte, Conforte began a public campaign to sell the center
20 portion of the land, located in the flood plain area, to a
21 public agency in Washoe County for the purpose of having a golf
22 course developed. Conforte told realtor James Smith that the
23 development of the golf course would enhance the value of the
24 adjoining property and he, Conforte, would reap a profit on the
25 future sale and development of the remaining property in an
26 amount in excess of One Million Dollars (\$1,000,000.00). Other
27 witnesses confirmed the probability that Conforte would make
28 a huge profit.



1 Shortly after the purchase of the land by Mr. Conforte,
2 Councilman James Vernon and Councilman Pete Lemberes actively
3 sought to have the City of Sparks purchase the land from
4 Conforte. However, the City of Sparks did not have sufficient
5 financial resources to purchase the land and develop it into a
6 golf course.

7 Subsequently, proposals were made to the Convention
8 Authority offering to sell the land to them. Again, James
9 Vernon, Chairman of the Convention Authority, was a strong
10 advocate for the purchase of the Conforte land. In addition to
11 Councilman James Vernon, Washoe County Commissioner Gerry Grow,
12 a member and secretary of the Convention Authority, also strongly
13 advocated the purchase of the Conforte land and the development
14 of the golf course. Mr. Grow testified that he advocated the
15 golf course because it would be a good addition to the golf
16 courses already in existence in Washoe County and because he,
17 an avid golfer himself, felt it was a good community investment
18 for the Convention Authority.

19 The Convention Authority had, in the meantime, with
20 the assistance of a citizens' advisory committee, set certain
21 priorities for the expenditure of Convention Authority funds.
22 The first priority set by the Board was the erection of an
23 addition to the Centennial Coliseum which would be used, for
24 among other things, the upcoming National Bowling Congress
25 meeting. In order to obtain that convention, the Convention
26 Authority had to give assurances that such a facility would be
27 built because it was anticipated that there would be as many as
28 25,000 participants who would be present in the Reno area for



1 several weeks. The second priority set by the Board was the
2 purchase of the land for the purpose of a golf course in Sparks.
3 The revenues of the Convention Authority were not sufficient to
4 finance both priorities. As time passed, the golf course became
5 the first priority, replacing the addition to the Centennial
6 Coliseum.

7
8 B) The Room Tax Increase

9 Commissioner Gerry Grow advocated a one cent increase
10 in the room tax which is collected from lodgings in the Reno-
11 Sparks area. In order for the room tax to be increased, it was
12 necessary that the increase be approved by all three governing
13 bodies in Washoe County; the Reno City Council, the Sparks City
14 Council, and the Washoe County Commission. The increase was
15 first passed by the Washoe County Commission and the Sparks
16 City Council.

17 The Reno City Council first voted on the room tax
18 increase on the 25th day of March, 1974. James Vernon and Gerry
19 Grow appeared at the Reno City Council meeting and urged passage
20 of the one cent increase in the room tax. The vote resulted in
21 a tie. During the vote, Reno Councilman Clyde Biglieri abstained.
22 The reason he gave for abstaining was that he had an interest
23 in a motel and thus felt it was a conflict of interest for him
24 to vote.

25 On May 13th and May 20th, 1974, the issue was brought
26 before the Reno City Council with little public notice. Several
27 interested parties complained about the lack of notice on such
28 an important issue.



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On August 12, 1974, the issue was again before the Council and the roll call vote again resulted in a tie. Councilman Biglieri, who abstained, said if he were to vote, he would favor the proposed increase. After the vote ended in a tie, he said that he was going to change his abstention and vote on the issue. Biglieri then voted in favor of the room tax increase. The increase was thereby approved.

Upon passage of the room tax increase, long term financing was available to make it possible for the Convention Authority to fund the addition to the Centennial Coliseum and to fund the Conforte golf course.

Mr. Biglieri explained that he felt that because Mayor Sam Dibitonto, a hotel owner, voted he, Biglieri, felt justified in voting rather than abstaining. Biglieri testified that he favored the room tax increase because he believed that more money was needed to promote Reno. He said he was aware of the fact that a substantial portion of the money was going to be used to purchase the property owned by Conforte, the same property from which he, James Smith, and Washoe Realty had received a Forty Thousand Dollar (\$40,000.00) sales commission. He stated that the fact that he had received a commission from the Conforte land purchase did not influence his vote. He also testified that although he had several meetings with and phone calls from Joe Conforte urging him to vote in favor of the room tax increase, that those contacts also had no effect on his vote. When asked whether or not there was any arrangement to the effect that Biglieri and Washoe Realty would receive future real estate business from Conforte in the sale of the property



1 surrounding the golf course retained by Conforte, Biglieri
2 testified that there was no arrangement to that effect, but
3 that he would accept the opportunity to sell the land if it
4 were offered to him by Conforte.

5 Joe Choma, associated with Councilman Biglieri at
6 Washoe Realty, testified that he had a vague recollection that
7 they, Washoe Realty and Clyde Biglieri, might be involved in
8 the sale of Conforte's property in the future.

9
10 C) The Proposal to Change the Composition of the
Convention Authority - Senate Bill 152

11 The Grand Jury found that on February 28, 1973, former
12 Senator Stanley Drakulich appeared at the regular meeting of the
13 Washoe County Fair and Recreation Board (Convention Authority)
14 and spoke in opposition to Senate Bill 152, (Exhibit No. 10),
15 which would have increased the size of the Convention Authority
16 to include four members in addition to the five elected public
17 officials. The Board voted to oppose SB 152 after a promise of
18 more cooperation with the Chamber of Commerce. The Chamber,
19 sponsor of SB 152, agreed to withdraw the legislation.

20 Former Senator Stanley Drakulich testified that his
21 opposition to the expansion of the membership of the Convention
22 Authority was in no way related to his receiving the Eighteen
23 Thousand Dollar (\$18,000.00) commission from Joe Conforte in
24 connection with Conforte's purchase of the Capurro-Gault land.
25 Drakulich testified that he had opposed the expansion of the
26 Convention Authority because he did not want the Chamber of
27 Commerce to have added representation. He felt that the present
28 composition of the Convention Authority was adequate and superior



1 to the proposed expanded Convention Authority.

2 D) The Conforte Repurchase Agreement

3 The golf course portion of Conforte's land was
4 purchased by the Convention Authority and Washoe County took
5 title to the property upon the following conditions contained in
6 the escrow documents.

7 "If within five (5) years from the
8 date of purchase, buyer, its successors,
9 assigns, grantees or permittees shall not
10 have in good faith commenced construction
11 of an 18 hole public golf course on said
12 lands, and, if buyer commences a sale of
13 said land or a part thereof pursuant to
14 NRS 244.281, sellers, their heirs or as-
15 signees, shall have the right to meet or
16 better the terms of any bid on said land
17 submitted by any third party at any such
18 sale."

19 (Exhibit No. 11)

20 Thus, Conforte was assured that either a golf course
21 would be built at public expense or he could exercise his option
22 to repurchase the land he sold to the Convention Authority.

23 E) Execution of the Sale Agreement

24 After the details of the purchase agreement were
25 resolved, the agreement was approved by the Convention Authority
26 and executed by James Vernon, Convention Authority Chairman, and
27 Gerry Grow, Secretary of the Convention Authority.

28 At the time when the final paperwork was available for
signature, Commissioner Gerry Grow was in the State of Washington
on a vacation. At that time, Conforte chartered a private plane
and flew to Spokane, Washington, to return Mr. Grow to Reno for
the purpose of signing the papers. Mr. Grow testified that



1 although he could have waited until he completed his vacation
2 and returned to Reno, that he returned early with Mr. Conforte
3 to save him interest payments on the property. After Grow signed
4 the documents, Conforte bought him an airline ticket back to
5 Spokane. Grow also accepted One Hundred Dollars (\$100.00) from
6 Conforte for the inconvenience occasioned to his vacation. The
7 Grand Jury finds this conduct of Mr. Grow to be consistent with
8 the close personal relationship existing between some public
9 officials and Conforte at the time of the land sale.

10
11 IV.
UNDISCLOSED INVOLVEMENT OF CONFORTE
IN LOCAL PUBLIC AFFAIRS
12

13 Joe Conforte's involvement with the public officials
14 most directly concerned in the acquisition of his Sparks
15 property has been shown in other portions of this report and,
16 at the least, it is clear that he encouraged both the sale of
17 his land to the Convention Authority and the passage of the room
18 tax increase which would finance the land purchase. However,
19 during the course of the Grand Jury's investigation, there was
20 evidence that Conforte's interest in major decisions by local
21 public officials extended well beyond the sale of his Sparks
22 property.

23 The Grand Jury found that at the time when the City
24 of Reno was considering the appointment of Reno's Police Chief,
25 that Conforte supported and encouraged the appointment of
26 Colonel Alex Lamberes as Chief. The Grand Jury's evidence
27 showed nothing more than a friendship between Colonel Lamberes
28



1 and Conforte and the Grand Jury finds no improper motive or
2 purpose behind Mr. Conforte's support of Colonel Lemberes. Also,
3 Lemberes was apparently not seriously considered for the position
4 because, among other reasons, of his lack of experience in
5 civilian law enforcement. However, what is significant to the
6 Grand Jury is that Mr. Conforte's involvement in local politics
7 extended to the point of making private recommendations concern-
8 ing such an important appointive position as Reno Police Chief.

9 The Grand Jury also found that Conforte encouraged
10 members of the Sparks City Council to support the proposed salary
11 increase for Judge Morrison of the Sparks Municipal Court. Judge
12 Morrison's salary was later substantially increased.

13 The Grand Jury received evidence that at the time
14 when former Reno City Councilman Sam Dibitonto was seeking the
15 position of Mayor of the City of Reno he was contacted by
16 Conforte. The Mayor is chosen by vote of the members of the
17 Reno City Council. Mr. Dibitonto testified that when he was
18 approached by Conforte, he was told that if he would make certain
19 committee appointments, he could count on becoming Mayor.
20 Dibitonto made no agreements with Conforte, but indicated that
21 he would consider all of the council members for the committee
22 appointments. After Dibitonto became Mayor, he made the
23 particular committee appointments of concern to Conforte. How-
24 ever, he did not appoint those council members requested by
25 Conforte. Thereafter, Conforte contacted Dibitonto, accused
26 Dibitonto of turning him around, and expressed unhappiness with
27 the appointments Dibitonto made.

28



1 The Grand Jury also received other evidence that
2 Conforte was unhappy with Dibitonto and wanted him out of office.
3 The Grand Jury wishes to stress, however, that it received no
4 evidence that Mr. Dibitonto's successor in office, who defeated
5 him in the last election, was a candidate who was being supported
6 by Conforte and certainly no inferences should be drawn against
7 Mr. Dibitonto's successor.

8 The Grand Jury makes note that in these two instances
9 where Conforte supported certain appointments for important
10 official positions, those appointments were not made. Nonethe-
11 less, it is apparent to the Grand Jury and the Grand Jury finds
12 that Mr. Conforte's relationship with certain local officials
13 reached a point where he believed that he had some considerable
14 effect upon decisions relative to official action. The Grand
15 Jury cites these examples not as any kind of criticism of the
16 people being supported, but rather as a reflection of the formerly
17 undisclosed scope of Conforte's attempted involvement in the
18 public's business.

19 V.

20 CONFORTE'S ASSOCIATION WITH PUBLIC
21 OFFICIALS INVOLVED WITH THE LAND SALE

22 A) The Mustang Meetings

23 The Washoe County Grand Jury has investigated the
24 relationship of Joe Conforte with the various public officials
25 connected with the land transaction and finds the following:

26 During the time that the Conforte land transaction was
27 pending before the three local governing bodies and the Convention
28 Authority, James Vernon, Gerry Grow and Pete Lemberes regularly



1 visited Joe Conforte's Mustang brothel. At that time, Vernon
2 was the Convention Authority Chairman and a Sparks Councilman,
3 Grow was the Convention Authority secretary and a Washoe County
4 Commissioner, and Lemberes was a Sparks Councilman. At several
5 of these Mustang visits, the three met with Conforte and public
6 business was discussed.

7 The Grand Jury has received testimony from Vernon,
8 Lemberes and Grow that they would enter the Mustang complex and
9 instead of going to the public reception area, they would go to
10 a special area of the brothel where food, drink, and the services
11 of prostitutes were available to them free of charge. On oc-
12 casion, other public officials and guests went to the brothel
13 with Vernon, Lemberes and Grow.

14 In addition to the testimony of Vernon, Grow and
15 Lemberes, the above finding was verified by other witnesses
16 before the Grand Jury. Vernon, Grow and Lemberes were on
17 Conforte's "comp list" at the brothel. Additionally, meetings
18 were held by the three with Conforte on occasion at locations
19 other than the brothel.

20 At one meeting at the brothel attended by Conforte,
21 Vernon, Lemberes and Grow on Conforte's birthday, Conforte
22 discussed getting the "right people" in public office. They
23 also discussed the one cent room tax increase and it was
24 suggested that they "get rid" of Mayor Dibitonto because he was
25 the one who was stopping the room tax from going through.

26 The Grand Jury's investigation has also revealed that
27 Mustang prostitutes attended a party for local public officials
28 held by Pete Lemberes at his Sparks residence.

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1 Commissioner Grow testified that the Mustang meetings
2 had no effect upon his judgment regarding matters pending before
3 the Convention Authority and the Washoe County Commission. He
4 also defended the receipt of complimentary services of prosti-
5 tutes as being no different than receiving a complimentary meal
6 from a local casino. A Grand Juror asked Mr. Grow whether he
7 thought the public would accept his, Grow's, rationalization
8 of their conduct at Mustang. Mr. Grow responded, "I don't care
9 if they do or not," and added that he might not run for re-
10 election next term anyway.

11 B) Conforte Campaign Contributions

12 In addition to the contacts of Joe Conforte with the
13 above mentioned public figures, the Washoe County Grand Jury
14 has determined that Joe Conforte spends large amounts of money
15 each election in the form of campaign contributions and other
16 assistance to political candidates. Also, Joe Conforte has
17 paid at least \$3,000.00 to \$4,000.00 each election year for the
18 results of a local political poll conducted by Mr. Brent Tyler.

19 The Grand Jury has inquired into campaign contribu-
20 tions made by Joe Conforte to key public officials who served
21 on the Convention Authority, supported the Conforte land trans-
22 action, or were otherwise found in the course of the Jury's
23 investigation to be associated with Joe Conforte. Although
24 the Grand Jury has not at this time conducted any major inquiry
25 into campaign contributions received by public officials in
26 Washoe County, a future Grand Jury may wish to probe further
27 into Mr. Conforte's involvement in and influence in public af-
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1 fairs in Washoe County.

2 Mr. Clyde Biglieri, Reno City Councilman, testified
3 that he was contacted by Pete Lemberes and James Vernon and was
4 taken to Mustang where he received a Five Hundred Dollar (\$500.00)
5 campaign contribution from Joe Conforte.

6 Mr. Roy Pagni, former Washoe County Commissioner, also
7 a member of the Convention Authority at the time of the purchase
8 of the Conforte land, testified that he received Two Thousand
9 Dollars (\$2,000.00) during his last political campaign.

10 Mr. Michael Schultz, former Sparks Councilman,
11 testified that when he first ran for the Sparks City Council, he
12 was contacted by Councilman James Vernon who offered Conforte
13 aid in Schultz's campaign. At first Schultz declined, but
14 later he asked for and received Two Hundred Dollars (\$200.00)
15 from Conforte.

16 Mr. Carl Bogart, Reno Mayor and Convention Authority
17 member, received One Thousand One Hundred Fifty Five Dollars and
18 ninety-eight cents (\$1,155.98) during his last campaign from
19 Joe Conforte.

20 At his first appearance before the Washoe County Grand
21 Jury, Mayor Carl Bogart was asked if Conforte ever contributed
22 to his campaign. He said, "Yes." When asked how much was
23 contributed he said he couldn't answer that because the contribu-
24 tions came directly to his campaign manager and although that
25 campaign manager gave him a list of his contributions, he couldn't
26 remember the specific figures. He testified that he had no
27 idea how much Conforte had given him.

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1 Later, Mayor Bogart claimed that he did not receive
2 any of Conforte's money. He explained that in his prior testi-
3 mony he was merely referring to the fact that Conforte had said
4 that he would help Bogart in his campaign. Bogart said he told
5 Conforte to keep everything above board. According to Bogart,
6 he told Conforte that he had hired a campaign manager. Bogart
7 then said he heard nothing more about any Conforte contributions.

8 Mayor Bogart was contradicted by his campaign manager.
9 He testified that he did not receive the bulk of the contribu-
10 tions in Mr. Bogart's campaign, but rather that Bogart himself
11 received most of the contributions. Among those contributions
12 received by Bogart's campaign manager were two contributions,
13 one in the amount of Eight Hundred Sixty Six Dollars and seventy-
14 eight cents (\$866.78) and another in the amount of Two Hundred
15 Eighty Nine Dollars and twenty cents (\$289.20) for a total of
16 One Thousand One Hundred Fifty Five Dollars and ninety-eight
17 cents (\$1,155.98). These checks were received from political
18 pollster Brent Tyler. The campaign manager indicated that he
19 was not sure of the original source of the two checks from
20 Brent Tyler, but assumed that they were from Joe Conforte.

21 Political pollster Brent Tyler testified that those
22 two contributions, in a total amount of One Thousand One Hundred
23 Fifty Five Dollars and ninety-eight cents (\$1,155.98), were
24 made to Bogart by Conforte. Tyler testified that he and Bogart
25 had discussed the contributions and that he, Tyler, solicited
26 the money from Conforte with Bogart's permission and approval.
27 At the time, according to Tyler, Bogart said that he did not
28 care that people knew about the solicitations from Conforte.



1 There is also evidence that Conforte has given other
2 gratuities to public officials.

3 Although not a campaign contribution, in August of
4 1972 former Councilman Pete Lemberes bought Joe Conforte's 1972
5 Lincoln Continental Mark IV. Mr. Lemberes testified that he
6 paid Seven Thousand Five Hundred Dollars (\$7,500.00) cash for the
7 Conforte car and received no bill of sale, papers or receipt
8 other than a Department of Motor Vehicles green slip.

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The Grand Jury is charged with the responsibility of inquiring into allegations of official misconduct. In following this mandate, the Grand Jury has used every available means to obtain the truth in its inquiry, an inquiry which has continued for nearly two years. After answering the Grand Jury's questions, every witness has been given the opportunity to have his say and has been given the opportunity to present whatever evidence he wishes.

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Furthermore, the Grand Jury is confident that the community will find that the efforts expended in making this inquiry were worthwhile, productive, and in the best interests of the citizens of Washoe County.

VI.
THE CONFORTE LAND TRANSACTION
AND THE PUBLIC'S INTEREST

A) Conflict of Interest and the Need for Disclosure

The Convention Authority's purchase of Conforte's property is illustrative of the problems of conflict of interest which arise when officials fail to disclose their interest in matters pending before public agencies. The Grand Jury finds that such failure to disclose possible conflicts of interest cloud the reputation and integrity of the public official himself. Such non-disclosure also has the natural effect of increasing the cynicism of the citizenry, many of whom are already disillusioned with the performance of governmental officials.

The Grand Jury recommends that a public official regard his office as a public trust and always do everything in his power to avoid the appearance of impropriety. Public office should not be used to assist friends or amass wealth. To instill public confidence in government, officials should at all times act openly and in the best interest of the public. When a conflict of interest does exist, the public official should always reveal not only the conflict but all of the reasons for the conflict.



1 B) Former Sparks Councilman Vernon, former
2 Sparks Councilman Lemberes, and Commissioner
3 Grow

4 The Grand Jury finds, in consideration of all of its
5 other findings in this investigation, that the manner in which
6 the Conforte land transaction was conducted was not in the
7 public's best interest.

8 The Grand Jury further finds that former Sparks
9 Councilmen James Vernon and Pete Lemberes and Washoe County
10 Commissioner Gerry Grow were closely involved with Joe Conforte.
11 At the same time, they did not disclose to the public their
12 relationship with Conforte and proceeded to actively crusade
13 to have public agencies purchase Conforte's property knowing
14 that Conforte would realize huge profits if the sale were
15 consummated. In so acting these public officials failed to
16 honor a trust which had been placed in them by the citizens
17 and voters of their respective constituencies.

18 As mentioned in the preface of this report, in
19 reaching these findings, this is not to suggest that Vernon,
20 Lemberes and Grow are guilty of criminal activity. However,
21 it is clear to the Grand Jury and the Grand Jury finds that
22 these public officials have by their actions not served the
23 public's best interest.

24 The Grand Jury also finds the purchase of the
25 Conforte land and the agreement to develop a golf course were
26 not handled in a businesslike fashion. The Grand Jury does
27 not substitute its own judgment on the merits of the purchase;
28 however, the Jury is alarmed at the apparent slipshod handling
by the Convention Authority of this important matter. . Not only

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1 did the Convention Authority accept a vague and indefinite
2 proposal without careful study, but the Authority members worked
3 headlong into an increase in the room tax and urged their fellow
4 elected public officials into passing the increase when no one
5 knew for sure how much money was needed or would be used for
6 pending Convention Authority projects. It appears that many
7 people were encouraged to submit requests for Convention Authori-
8 ty funds in order to engender public support for and justify the
9 tax increase when there was no definite plan or commitment to
10 fund any projects other than the purchase of the Conforte land
11 and the Coliseum expansion. Even as late as February 1976, it
12 had not yet been decided which public agency will bear the
13 expense of operating and maintaining the golf course.

14 Former Mayor Sam Dibitonto expressed some of the
15 findings of the Grand Jury when he said the following at a
16 Convention Authority meeting on April 26, 1974:

17 "We're sitting here ready to spend a
18 million point some dollars and you don't even
19 know what you're buying. Why you haven't got
20 any idea what the contract stipulations are.
21 You don't know what the time frame is. You
22 don't know anything. We're just bound and
23 determined we're going to buy 209 acres so
24 that we can make the other four and a half
25 or five, or whatever percentage, worth a ton
26 of money. Now, I think before we sit down
27 and spend this kind of money; now, you may
28 in your own mind be firmly convinced, but I
am responsible to people that are going to
have to pay this, and I don't like to spend
twenty bucks, let alone a million point two,
unless I get Mr. Torvinen to tell me what the
hell we're buying. Now, if you want to go vote
for it; you guys have got me snowed and you've
got me outnumbered, so I just thought I'd tell
you for the record that this is a tremendous
way to do business. I've never been on a
Board in my life that's done it this way."



1 Notwithstanding Mayor Dibitonto's statement, the other
2 Convention Authority members proceeded to approve the acquisition
3 Those members were County Commissioners Grow and Pagni, Sparks
4 Councilman Vernon, and Reno Councilman Carl Bogart. Although
5 not a member of the Convention Authority, Sparks Councilman
6 Lemberes was also present and expressed his strong support for
7 the acquisition. Not only has the Convention Authority spent
8 approximately Nine Hundred Eighty Thousand Dollars (\$980,000.00)
9 for the golf course property, but an additional One Million Five
10 Hundred Thousand Dollars (\$1,500,000.00) to Two Million Dollars
11 (\$2,000,000.00) will be needed to develop the golf course, erect
12 necessary buildings and purchase equipment.

13 As a result of the Convention Authority's acquisition
14 of the Conforte property, and assuming that a golf course is
15 developed as planned, according to testimony before the Grand
16 Jury, Conforte may make over One Million Dollars (\$1,000,000.00)
17 in profit.

18 C) Former State Senator Stanley Drakulich

19 In the case of former State Senator Stanley Drakulich,
20 the Grand Jury finds that he, by his actions in concealing his
21 involvement in the Conforte-Capurro land transaction, did not
22 act in the public's best interest. There is no good reason
23 for his failure to be listed in the official documents of the
24 land transaction as being one who received monies. Furthermore,
25 Mr. Drakulich failed to be forthright and open concerning the
26 Eighteen Thousand Dollar (\$18,000.00) payment to him from Mr.
27 Conforte. Only after the payment was disclosed by the media did
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1 he, Drakulich, acknowledge receiving it.

2 It is not in the public's best interest when any public
3 official receives an extraordinarily large fee for doing very
4 little and further attempts to conceal such a fact from the
5 public when the public itself is involved.

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EXPANDING CONFORTE RELATIONSHIP WITH PUBLIC OFFICIALS

Of major concern to the Grand Jury is the expanding and rather secretive relationships which have developed between Joe Conforte and some public officials in this area. In 1962, Mr. Conforte was convicted of the felony offense of Extortion of the then Washoe County District Attorney, William Raggio, and was sentenced to three to five years in the Nevada State Prison. In 1963, Conforte was also convicted of the federal felony offense of Income Tax Evasion by Means of a Fraudulent Tax Return and was sentenced to federal prison for a term of three years.



1 Since release from prison, Conforte's primary source
2 of income has obviously been prostitution and he operates what
3 is probably the largest public house of prostitution in the
4 United States. The Grand Jury has also discovered that many of
5 Conforte's close associates are ex-felons who have been convicted
6 of serious offenses in the State of Nevada and elsewhere.

7 The Grand Jury's investigation of the Conforte land
8 sale reveals that Mr. Conforte established substantial contacts
9 and rapport with a number of the public officials who were
10 directly involved in the land sale. It is apparent that he
11 either contributed heavily to their political campaigns or
12 granted them other favors or gratuities as in the case of four
13 of the five members of the Convention Authority. Not only did
14 Conforte have this relationship with a majority of the members
15 of the Convention Authority, but that those members also
16 represented the Sparks City Council, Reno City Council, and the
17 Washoe County Commission. These are the three governmental
18 entities which make virtually all decisions bearing upon the
19 public's welfare in Washoe County.

20 Additionally, other evidence discloses that at the
21 time of the Conforte land sale, Mr. Conforte also held similar
22 associations with Sparks City Councilman Lemberes and Reno City
23 Councilman Biglieri. It appears that through this spreading
24 association with local public officials, Conforte has gone so
25 far as to attempt to influence some of these public officials
26 to act in his favor and, in at least one instance, attempted to
27 influence them to consider a police chief for the City of Reno
28 of his choosing.



1 The Grand Jury's investigation has essentially focused
2 upon the Conforte land sale and Sparks government. With the
3 exception of former State Senator Stanley Drakulich, the Grand
4 Jury has not investigated or inquired into the role of Mr.
5 Conforte in regard to other local officials such as senators,
6 assemblymen, other city and county officers and statewide
7 officers. However, from evidence adduced before the Grand Jury,
8 it appears that at the least, Mr. Conforte has been an active
9 supporter of either some of these office holders or of political
10 candidates who unsuccessfully vied for such offices in recent
11 elections. The Jury recognizes that such support is an absolute
12 right and certainly within the prerogative of Mr. Conforte.
13 However, based on the experience of this investigation, it
14 appears that the local officials who have been involved with
15 Conforte have done so without disclosing this relationship to
16 the public.

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Considering the Jury's findings in this investigation, the Grand Jurors find such spreading and undisclosed relationships definitely not to be in the best interests of good government or an educated public. It is the recommendation of this Grand Jury that all public officials who have received financial support or other favors from Mr. Conforte or other persons having a financial interest in pending public matters should voluntarily disclose these relationships to the public. It is also recommended that such relationships, especially where they have not been publicly disclosed, be considered for review in future years.

THE MUSTANG BROTHEL AND ITS EFFECT ON WASHOE COUNTY

I.
THE HEALTH HAZARD

Joe Conforte's presence in public affairs in Washoe County is very evident from the foregoing descriptions of his activities. The presence of prostitutes in Storey County is also apparent in Washoe County.

The Grand Jury has received evidence from a State Health official that there is virtually no State inspection or regulation of Nevada brothels. Only when a case of venereal disease is reported to State authorities by a local doctor does



1 the State Health Department become involved in tracing the
2 disease and requiring treatment of it. Because of the nature
3 of the prostitution business, few, if any, patrons of a diseased
4 prostitute can be traced. The patron and his intimate contacts,
5 as a practical matter, cannot be contacted by the Health
6 Department and informed that they have been exposed to venereal
7 disease.

8 Although a private physician is hired by the
9 prostitutes and Joe Conforte, in some instances the disease is
10 not discovered for up to thirty days after it is contracted by
11 the prostitutes. If the prostitute has only ten contacts a day,
12 five days a week, 200 patrons could be infected.

13 Mr. Robert DelCarlo, Sheriff of Storey County,
14 testified before the Grand Jury that although between thirty and
15 fifty prostitutes work at the Mustang brothel, no Storey County
16 officials enforce health laws in Storey County or in any way
17 inspect the Mustang brothel. The only enforcement that takes
18 place is the registration of prostitutes by Sheriff DelCarlo's
19 officers. However, he testified that the Sheriff's Department
20 only registers prostitutes every thirty to sixty days. Thus,
21 a prostitute could work for thirty to sixty days before being
22 registered. Sheriff DelCarlo admitted that during a one year
23 period in 1974 and 1975, he and his office did not register any
24 prostitutes or check the prostitutes to see if they had work
25 permits.

26 Also, Sheriff DelCarlo admitted that the registration
27 process as practiced in Storey County is of little value. He
28 testified that he allows the prostitutes to give names other



1 than their true names. He also admitted that no real effort is
2 made to correctly identify the prostitutes or check their
3 respective backgrounds. Further, he testified that no applicant
4 has ever been denied permission to work at the Mustang brothel
5 for any reason.

6
7 II.
SOLICITATION AND PANDERING

8 During the course of the Grand Jury's investigation,
9 a qualified witness estimated that 75 percent of the Mustang
10 brothel's business comes from the Reno area. Many of those
11 customers are tourists who are driven to Mustang in taxi cabs.
12 Taxi drivers receive 30 percent of whatever is spent by the
13 customer at the brothel.

14 As a result of the financial inducements offered to
15 cab drivers, bell hops, etc., there is a danger of widespread
16 solicitation and pandering taking place within Washoe County
17 where prostitution is illegal.

18 There is also evidence of prostitutes traveling to
19 Washoe County from Storey County and on occasion performing
20 their services in residences, hotels and motels.

21 The members of the Grand Jury find that State, County
22 and City statutes and ordinances are not adequate to control
23 prostitution, solicitation and pandering that takes place in
24 Washoe County. Thus, the Grand Jury recommends that the
25 respective governmental agencies act to provide effective laws
26 to control prostitution, pandering and solicitation in Washoe
27 County.
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1 The Washoe County Grand Jury finds that prostitution
2 in Storey County constitutes a health and safety hazard to
3 Washoe County because of Storey County's failure to adequately
4 supervise, inspect and identify the prostitutes. Since the
5 prostitutes are allowed to give false names and are not required
6 to identify themselves adequately for the purposes of health
7 inspections and other legitimate inquiries, the residents of
8 adjoining counties are not adequately protected from the
9 potential health hazards posed by the Mustang prostitutes.

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11 III.
CONFORTE'S UNDERWORLD CONTACTS AND
THEIR EFFECT ON WASHOE COUNTY

12
13 The Grand Jury finds that Mustang employees and their
14 associates have a tendency to be involved in crimes including
15 property crimes and drug traffic in Washoe County. It is
16 important for Washoe County and other counties and state law
17 enforcement agencies to keep track of these people and to know
18 their true identities and whereabouts.

19 The Grand Jury finds that Joe Conforte has associated
20 with known and suspected organized crime figures from various
21 parts of the United States. Furthermore, he has employed,
22 consorted with, and been a friend of many ex-felons. Among those
23 he has associated with and employed are ex-felons who have been
24 convicted in Washoe County and elsewhere of crimes ranging from
25 armed robbery to burglary, grand larceny, drug offenses and
26 other serious offenses.

27 Although Mr. Conforte, himself an ex-felon, is free to
28 associate with whomever he wishes, and although the above as-



1 sociations do not constitute a violation of criminal law by
2 Conforte, it is apparent from the evidence received by the
3 Grand Jury and the Grand Jury finds that Conforte and his
4 prostitution business attract an undesirable element which poses
5 a threat to the safety and welfare of the citizens of Washoe
6 County.

7 This Grand Jury has chosen not to pass upon the wisdom
8 of allowing prostitution in the State of Nevada. However, in
9 light of its findings in this report, the Grand Jury recommends
10 that if prostitution is to be continued within Nevada, that
11 State Legislators representing Washoe County consider supporting
12 laws which would create restrictions and controls upon the
13 prostitution industry which would protect the health, safety
14 and welfare of the citizens of the State.

15
16 SPARKS MUNICIPAL COURT, JUDGE MORRISON

17
18 The Washoe County Grand Jury has received testimony
19 that former Sparks Councilmen James Vernon, Pete Lemberes and
20 Michael Schultz have on occasion approached Judge Morrison
21 and received dismissals or reductions of traffic charges pending
22 before the Court against other persons.

23 Judge Morrison testified that former Councilman
24 Lemberes spoke to him about seven or eight pending cases and at
25 Lemberes' request, Morrison dismissed the cases.

26 Morrison testified that he was likewise approached by
27 former Councilman James Vernon regarding matters pending before
28 the Court twelve to fifteen times and he, Morrison, dismissed



1 eight or nine of those cases.

2 Also, according to Judge Morrison, on two occasions
3 former Sparks Councilman Michael Schultz requested the reduction
4 of cases involving a friend. Charges were reduced in both cases.

5 After having been approached by those Councilmen,
6 Judge Morrison asked some of the defendants to come in and speak
7 to him on the issues. On several occasions, he dismissed cases
8 without asking the defendants to come in at all.

9 There is also evidence which suggests that there have
10 been reductions and dismissals granted at the request of the
11 Sparks Police Department.

12 The Washoe County Grand Jury could find no payment or
13 other consideration given for the dismissals and, therefore,
14 finds that no crime has been committed. The Grand Jury firmly
15 believes that the judiciary on all levels should not in any
16 way allow other public officials to influence its decisions on
17 pending court matters. It is this sort of partiality which
18 gives rise to much of the criticism levied against the criminal
19 justice system.

20

21 GENERAL ACCEPTANCE CORPORATION - HOSPITALITY HUT

22

23 During the month of April 1972, former State Senator
24 Stanley Drakulich came to the office of Jerry Higgins, Com-
25 munity Relations Director for the Sparks Nugget. Drakulich told
26 Higgins that he, Drakulich, knew the relationship between the
27 Nugget and Councilman Vernon and Councilman Lemberes was not
28 good. Drakulich said he felt he could help the Nugget improve



1 their relationship with Vernon and Lemberes. In the conversa-
2 tion, Drakulich mentioned that he was employed by General
3 Acceptance Corporation (G.A.C.) and would like to establish a
4 land sales booth in the Nugget casino. Drakulich was told that
5 the Nugget's floor space was at a premium and that officials
6 of the casino would not favor such an idea, but Mr. Higgins
7 assured Drakulich that he would set up a meeting with John
8 Ascuaga so Drakulich could discuss the land sales booth with
9 Mr. Ascuaga.

10 Shortly thereafter, Mr. Higgins received a phone call
11 from Drakulich. He asked Jerry Higgins to have lunch with
12 Sparks Councilman Vernon and Councilman Lemberes the next day
13 at the Sambos Restaurant in Sparks. At the meeting, Vernon,
14 Lemberes and Drakulich said they would like to improve their
15 relationship with the Nugget. Higgins told them that he hoped
16 the Nugget did have a good relationship with them. Higgins was
17 again asked if he would set up the meeting with John Ascuaga
18 and Pete Carr so Stan Drakulich could discuss putting a land
19 sales booth in the Nugget.

20 Jerry Higgins discussed Drakulich's proposal with
21 John Ascuaga. Mr. Ascuaga was opposed to the land sales pro-
22 motion being associated with the Nugget; however, he agreed to
23 meet with Drakulich.

24 Later, Mr. Higgins received a call at home from James
25 Vernon who said he was attending a party at the Rodeway Inn.
26 Vernon asked Higgins to pave the way for the Drakulich meeting
27 with John Ascuaga the next day. Vernon said that if Higgins
28



1 would help the Senator get his land sales booth, the Nugget's
2 troubles with the Sparks City Council would be over. Higgins
3 told Vernon that he would set up the meeting, but that he
4 couldn't assure Vernon of anything regarding the land sales
5 booth.

6 Approximately five minutes later, Higgins received a
7 call from Pete Lemberes. Lemberes said he was as the same party
8 at the Rodeway Inn. He also asked Higgins to do what he could
9 to help the Senator. Lemberes also said he thought the Nugget
10 should run some insurance business Stan's way and "let him make
11 a buck." The meeting was set up the next day and Stan Drakulich
12 and a representative from G.A.C. met with John Ascuaga. Mr.
13 Ascuaga told Drakulich and the representative from G.A.C. that
14 he would not allow the land sales business in the Sparks Nugget.

15 Drakulich was perturbed when Ascuaga turned him down.
16 Drakulich later told a member of the Nugget's management, "I
17 will get Mr. Ascuaga one way or another."

18 About a week later, a member of the Nugget management
19 received information that there was going to be a G.A.C.
20 Hospitality Booth placed on City property in front of the
21 Nugget and that the proposal was scheduled before the Sparks
22 City Council. Nugget officials immediately contacted their
23 attorney. He represented them at the Sparks City Council meet-
24 ing held on June 12, 1972, and opposed the proposed placement
25 of the Hospitality Hut on City property arguing that such an
26 arrangement would be an illegal use of City property. Sparks
27 City Attorney Paul Freitag agreed that it would be illegal for
28



1 the City to use the property in the proposed manner. Councilman
2 Vernon and Councilman Lemberes supported the proposal, but it
3 was nevertheless defeated.

4 After the meeting, the Nugget's attorney and Nugget
5 officials left the building and were encountered by Stan
6 Drakulich in the parking lot. Drakulich said that they had the
7 last laugh this time, but the future would unveil secrets of
8 things to come or words to that effect. Drakulich was very
9 angry and upon being asked by the Nugget's attorney if he was
10 going to use his position of public trust as a State Senator
11 to try to get even with John Ascuaga, Drakulich said no, but
12 said he, Drakulich, was a "very hot bohunk."

13 The Grand Jury finds that this type of conduct by
14 public officials is clearly not in the public's best interest.

15
16 LEMBERES' ATTEMPT TO REDUCE SALARY OF
17 SPARKS CITY ATTORNEY PAUL FREITAG

18 The Washoe County Grand Jury subpoenaed former Council-
19 man Pete Lemberes on several occasions during February of 1975.
20 He was questioned about several matters including some dealings
21 with Sparks City Attorney Paul Freitag.

22 On the 24th day of March, 1975, Pete Lemberes in a
23 speech before the Sparks City Council, viciously attacked Paul
24 Freitag suggesting that Mr. Freitag had engaged in improper
25 conduct. Lemberes then requested that Freitag draft an ordinance
26 that would reduce his, Freitag's, salary from \$17,500.00 a
27 year to \$10,000.00 per year.
28



1 At the first recess of the Council meeting on that
2 date, Lemberes approached Freitag and said,

3 "I hate to stab you in the back,
4 but I don't like what I'm hearing from
5 the Grand Jury. You have been singing
6 like a bird."

7 The Washoe County Grand Jury has found no improper
8 conduct by Sparks City Attorney Paul Freitag. He appeared and
9 testified before the Grand Jury pursuant to subpoena and appeared
10 to the Jurors to be both a truthful and candid witness.

11 The measure introduced by Lemberes was allowed to
12 die without further action by Lemberes and other members of the
13 Sparks City Council.

14 The Washoe County Grand Jury finds the conduct of
15 Mr. Lemberes in this regard the same as a witness who appeared
16 before the Sparks Council and spoke on Mr. Freitag's behalf
17 during the hearing on the ordinance regarding Mr. Freitag's
18 salary. The witness stated that the proposed amendment of Mr.
19 Freitag's salary was ". . . a vicious exercise of raw political
20 power."

21 THE HELMS GRAVEL PIT

22 In 1968, Mr. Robert Helms, contractor and businessman,
23 completed his purchase of a parcel of land bordering on the
24 City of Sparks east of McCarran Boulevard and north of Interstate
25 Highway 80. As a result of the sale of the property to Helms,
26 the City of Sparks became a third party beneficiary to the sale.
27 The agreement provided that Sparks was entitled to some portion
28



1 of the property when Helms completed his excavation of aggregate.
2 However, the terms of the agreement were not clearly defined and
3 the City of Sparks was not sufficiently informed as to what
4 portion of the land it was entitled to and when the land would
5 be conveyed to the City. Therefore, it became necessary for
6 the City of Sparks to enter into negotiations to reach an agree-
7 ment concerning the rights and obligations of Helms and the
8 City of Sparks over the gravel pit property.

9 As a result of the Grand Jury's inquiry, the Grand Jury
10 became concerned that the City of Sparks had gone for such a
11 long period of time without any definition of its legal rights
12 and obligations regarding the gravel pit. No agreement had been
13 negotiated with Mr. Helms and no law suit had been filed to
14 determine the parties' respective rights. Only after the Grand
15 Jury began its inquiry in February of 1975 were intensive
16 negotiations begun. An agreement between Helms and the City of
17 Sparks was executed January 12, 1976.

18 The Grand Jury finds that the Sparks City Council
19 and Sparks City Attorney were negligent in not insisting that
20 this important agreement with Mr. Helms be concluded more
21 rapidly. A delay of more than six years is not diligent atten-
22 tion to a matter of such importance to the City of Sparks and
23 its citizens.

24 During the Grand Jury's inquiry into the status of
25 the gravel pit, located in what is rapidly becoming a residential
26 area of the City of Sparks, the Grand Jury found that Washoe
27 County was the local governmental entity which was responsible
28 for zoning and regulation of the Helms gravel pit. This is



1 because the pit is still located within Washoe County and has
2 not been annexed into the City of Sparks. The Grand Jury was
3 surprised to find that the City of Sparks and Washoe County did
4 very little to study the effect of the pit upon the surrounding
5 property. There was varying testimony among experts who
6 testified before the Grand Jury concerning the effect of the
7 excavation on the water table in the adjacent area upon which
8 housing developments are located. There was also varying
9 testimony regarding the proper, safe, and acceptable slope of
10 the interior of the gravel pit.

11 It is apparent to the members of the Grand Jury that
12 little thought, study and investigation was given to the impact
13 of the gravel pit upon surrounding areas, both as to long term
14 effects and short term effects. This is particularly significant
15 in view of the Grand Jury's finding that the pit area is one of
16 the worst and most conspicuous eyesores in the entire Truckee
17 Meadows.

18 On the 18th day of March, 1968, Mr. Helms was granted
19 a special use permit by the Board of Adjustment of Washoe County.
20 The permit was granted on the condition that the excavation be
21 done in compliance with all applicable ordinances of Washoe
22 County, a \$5,000.00 bond be posted and that the project be
23 reviewed in one year.

24 Mr. Helms has conducted his excavation of that property
25 since 1968. According to Mr. Robert Vice, Washoe County
26 Engineer, County records reveal only one formal inspection of the
27 pit, a year later in 1969.

28



1 The Grand Jury is critical of the fact that Washoe
2 County, the Board of Adjustment and the Regional Planning
3 Commission have failed to check, supervise and control property
4 owners whose property is being used pursuant to special use
5 permits. After those permits are issued, there does not appear
6 to be any person or governmental agency in Washoe County which
7 acts as an inspection and enforcement arm to assure the citizens
8 of this community that the people operating under special use
9 permits are in compliance with terms and conditions of their
10 permits.

11 The Grand Jury finds that such a procedure can lead to
12 alarming results in a rapidly growing community. The Grand Jury
13 recommends that the Regional Planning Commission and the various
14 governmental agencies in the County and City adopt procedures
15 whereby special use permits and other variances and procedures
16 allowed by the agencies on a temporary basis are reviewed and
17 scrutinized from a planning standpoint periodically in order to
18 insure the public that its interests are being served.

19
20 THE DAIRY INDUSTRY IN WASHOE COUNTY

21
22 I.
23 REBATES AND ILLEGAL CONDUCT

24 During the course of the Grand Jury's investigation
25 into the reported solicitation by former Sparks Councilman
26 Vernon of Sid Doan for the milk account at Sierra Sid's Union
27 76 Station, the Washoe County Grand Jury subpoenaed Ronald
28



1 Averett from the Meadow Gold Milk Company. He appeared and
2 testified on the 22nd day of January, 1975. Among other things,
3 Averett testified that some wholesale milk dealers in the Reno
4 area and throughout Nevada were engaged in illegal conduct
5 including the giving of illegal rebates to retailers. This
6 information was later made public during a preliminary hearing
7 involving criminal charges against former Councilmen Vernon and
8 Lemberes, and has since been used by Attorney General Robert
9 List in challenging milk pricing and other dairy commission
10 practices in Nevada.

11 The Washoe County Grand Jury is pleased that it was
12 able to uncover these improper practices and believes that as
13 a result of the disclosure, hundreds of thousands of dollars
14 have been saved by Nevada consumers. This saving of consumers'
15 dollars alone appears to have far exceeded the total cost to
16 Washoe County taxpayers of the Grand Jury's entire investigation.

17 This discovery has also already led to valuable
18 reforms in Nevada's milk industry. In this regard, the Grand
19 Jury applauds the work of Attorney General List. His three-
20 part report on the dairy industry and the dairy commission is
21 an outstanding public service document which, hopefully, will
22 result in drastic changes and improvements in the regulation of
23 the dairy industry in Nevada.

24

II.

25 OFFER OF A MILK SALES CONTRACT TO SID DOAN'S
26 SIERRA 76 TRUCK STOP BY COUNCILMAN VERNON

27

28 As a major part of its investigation into Sparks
government, the Grand Jury investigated an alleged incident



1 involving the offer of a milk sales contract by Sparks Council-
2 man and Meadow Gold salesman James Vernon to Sid Doan of Sierra
3 Sid's 76 Truck Stop in Sparks. The evidence regarding this
4 portion of the Grand Jury's investigation and regarding other
5 dairy product transactions was directed to the attention of the
6 Washoe County District Attorney for consideration of whether
7 prosecution should be undertaken by the District Attorney prior
8 to completion of the Grand Jury's investigation. Subsequently,
9 the District Attorney authorized the filing of a criminal
10 complaint against former Councilmen James Vernon and Pete
11 Lemberes. Because that prosecution is still pending, the Grand
12 Jury, on the advice of the Washoe County District Attorney's
13 Office, will make no comment at this time concerning its
14 investigation into these matters.

15 SUTTER HILL SHOPPING CENTER

16
17 The Washoe County Grand Jury has spent considerable
18 time investigating the land sale transaction in which the
19 property located at the corner of McCarran Boulevard and Prater
20 Way was ultimately sold to the Sutter Hill Company. The Grand
21 Jury wishes to state that the conduct of officials of the
22 Sutter Hill Company is in no way a subject matter of the
23 investigation. They have done nothing of which the Grand Jury
24 is aware that would invite concern. In regard to other parties
25 and participants relative to these transactions there has been
26 some evidence which indicates the possibility of criminal
27 conduct.

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However, since a key figure in the transactions, realtor Bruce Morton, cannot be located, the Grand Jury has chosen to take no action and to make no comment concerning its findings at this time.

This concludes the Grand Jury's report.

* * *

In completing its investigation, the Grand Jury wishes to express its appreciation to the special investigative unit of the Washoe County Sheriff's Office headed by Lieutenant Gary Aiazzi. This division of trained investigators has conducted extensive investigation which uncovered valuable evidence later presented to the Grand Jury. The Grand Jury compliments what it finds to be the fine performance of Lieutenant Aiazzi and the men and women of his division.



Paid from Joe Conforte
CHECK NOTE
CASH In the sum of FIVE THOUSAND (\$5,000.00) Dollars
as a deposit on account of the purchase price of the following described property, situated in the City of
County of Washoe State of Nevada known as Nolan Gault
and the E. H. Capurro property lying in Sections 29-30-31-32
T-20N, R-20 East.

MARCH 1, 1973
(HEREIN CALLED PURCHASER)

For the total purchase price of ONE MILLION SIX HUNDRED THOUSAND (1,600,000.00) Dollars.
Deposit to be increased to \$100,000.00 within 30 days from date of acceptance of this offer by seller.
The balance of the purchase price is to be paid ~~AS FOLLOWS:~~

in ten (10) equal annual instalments, plus interest at the rate of 7% per annum, until paid.
Buyer reserves the right to pay more or to anticipate and discharge the balance in part or in full at any time.

Property to consist of all the Nolan Gault land in Sections 29 and/or 30. And all the E. H. Capurro property in Sections 29, 30, 31 and 32, with the exception of the NW 1/4 section of Section 31 and the 12 or 13 acres already sold in the NE 1/4 of Section 31. There shall be an additional 10 acres withheld for homesites of said sellers. But in no event shall there be less than 360 acres that buyer is purchasing. In the event, after survey has been made, that there is less than 360 acres in the parcel then buyer is to be credited with that amount at \$4,500.00 per acre. In the event that there is more than 360 acres after survey, that amount is to be included in the total price.

Above deposit given with this offer to be included in the down-payment of \$400,000.00.

SAID PURCHASE PRICE INCLUDES THE FOLLOWING PERSONAL PROPERTY: no personal property

Any amount of property may be released upon payment to sellers of \$5,000.00 per acre, provided, however, the buyer shall receive credit toward such payment of any amount previously paid, including the down-payment.

- AND IT IS HEREBY AGREED:** (1a) Undersigned real estate broker shall have 10 days to obtain acceptance of seller.
(2a) That should purchaser fail to pay the balance of the purchase price, or fail to complete the purchase, as herein provided, the amounts paid hereon may, at the option of seller, be retained as the consideration for the execution of this agreement by seller.
(3-3) Title is to be free of liens and encumbrances, other than (1) current taxes, not yet due or payable, (2) recorded tract restrictions, (3) set back lines and utility easements set forth on recorded maps or in recorded tract restrictions, (4) zoning regulations, (5) any other items set forth herein. That the evidence of title shall be a Policy of Title Insurance issued by TRANSAMERICA TITLE INSURANCE COMPANY, to be furnished and paid for by seller. That in the event the improvements on said property shall be destroyed or materially damaged between the date hereof and delivery of final deed or contract, or should the title to said property prove defective or unmarketable, and should seller be unable to perfect the same within sixty days from date hereof, all amounts paid hereon shall be returned to purchaser upon demand, unless purchaser elects to accept the title in said condition.
(4b) That escrow is to close on, or before, April 30, 1973
(5b) Any existing assessments and/or improvement bonds are to be paid by seller provided any delinquencies shall be paid by seller.
(6b) That the essence of this agreement is time and the undersigned real estate broker may, without notice, extend the time for an additional period of thirty days should said broker deem the extension advisable, except the time for the acceptance hereof by seller and date of possession. That the property is sold subject to the approval of seller.
(7a) Possession of premises to be given to purchaser on close of escrow.
(8a) That the taxes for the fiscal year ending June 30th and the rents, insurance, if paid, are satisfactory to purchaser, and other expenses of said property shall be prorated as of close of escrow.
(9b) No representations, guarantees or warranties of any kind or character have been made by any party hereto or their representatives which are not herein expressed.

Title is to be vested in purchaser, as follows: JOSEPH CONFORTE

(Show Married Status and Tenancy)

Please Print

Washoe Realty Company
BROKER

By James E. Smith

I agree to purchase the above described property on the terms and conditions herein stated, and acknowledge receipt of a copy hereof.

PURCHASER

Joseph Conforte
PURCHASER

PURCHASER

PURCHASER

I agree to sell the above described property on the terms and conditions herein stated and agree to pay the above named broker, as commission, the sum of 5% of total purchase price or one-half the deposit in case same is forfeited by purchaser, provided the same shall not exceed the full amount of the commission. The undersigned acknowledge receipt of a copy hereof.

Acceptance Date 19.73

2148

EX. No. 1

SELLER

COMMERCIAL TITLE INC.

P.O. BOX 569 - RENO, NEVADA

JOHN P. CAPURRO, EVELYN H. CAPURRO and NOLAN W. GAULT

Date: June 7, 1973

Escrow No. 25673-2

CAPURRO/GAULT-CONFORTE

ROBERTA M. GRIENER, Vice President
and Escrow Supervisor

	CHARGES	CREDITS
Consideration or Sales Price		\$1,722,025.00
Part of Consideration for Water Rights		22,632.00
Deposits		
Encumbrance to Remain		
New Encumbrance to Capurro & Gault (Parcel 1)	\$ 454,821.25	
New Encumbrance to Capurro & Capurro (Parcels 2 & 3)	591,793.41	
New Encumbrance to Gault (Parcel 4)	192,091.81	
Provisions Made as of June 6, 1973		
Taxes for Year 19 <u>72-73</u> - Parcel 1 - Capurro & Gault	328.40	
Taxes for Year 1972-1973 - Parcels 2 & 3 - Capurro & Capurro	411.32	
Taxes for Year 1972-1973 - Parcels 2 & 3 - Capurro & Capurro	217.24	
Taxes for Year 1972-1973 - Parcel 2 - Capurro & Capurro	87.73	
Taxes for Year 1972-1973 - Parcel 4 - Gault	671.93	
Capurro & Capurro - cash down payment for water	5,008.88	
Gault - cash down payment for water	1,554.40	
Capurro & Capurro proceeds \$193,960.25 less tax total of \$716.29 -	193,243.96	
Gault proceeds \$53,316.62 less tax total of \$671.93	62,344.69	
Capurro & Gault proceeds \$152,221.93 less tax total of \$328.40	151,893.53	
Brokers Comm. to Washoe Realty, Inc. and Humphrey Real Estate	36,101.25	
Overage on Survey to S. E. & A.	500.00	
Conveyancing To		
Tax Service		
Title Premium - Std. (\$1,722,025.00) 1/2 each	2,092.50	
Title Premium - ALTA		
Plat. Inspection		
Escrow Fee - 1/2 each	539.50	
Builders Control Fee		
Installment Collection Set-up Fee - I.C. 65229 - 1/2 each	7.50	
Reconveyance Fee		
N.R.P.T.T. - 1/2 each	947.65	
Recording Fees		
Balance Due Per Statement Enclosed	EX. No. 2	2140
Balance Per Check Attached		
	\$1,744,657.00	\$1,744,657.00

LETTER OF INSTRUCTION

Date: June 5, 1973.

Mrs. Robert Greiner
First Commercial Title, Inc.
1400 S. Virginia
Reno, Nevada.

Dear Roberta,

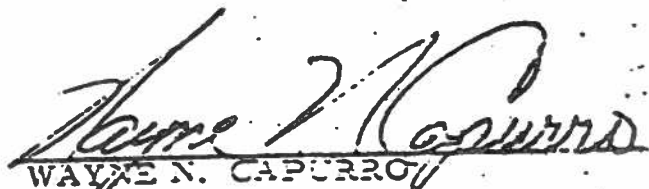
Capurro - Conforte

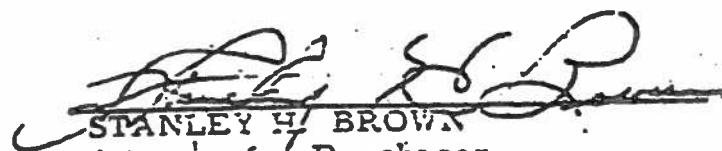
This letter will confirm the understanding among the parties as relates to the payment of commissions concerning the above entitled escrow.

It is my understanding that the commission in question will be 5% of \$1,722,025, or \$86,101.25. Of this amount, you are to pay through escrow on closing to Washoe Realty, Inc., as the listing broker, the sum of \$40,000; the sum of \$30,000, less the cost of the boundary survey, legal description and various fees, to S.E. & A. Consulting Engineers/Planners, in a sum not to exceed \$10,000, is to be paid to Humphrey Real Estate; the balance of the commission in the sum of \$16,101.75 is to be remitted to the purchaser, Mr. Joseph Conforte, in the form of a check.

I am executing this letter on behalf of the sellers, and Stanley H. Brown is executing on behalf of the purchaser. This letter will supercede all previous instructions as relates to the payment of commissions herein.

Sincerely,


WAYNE N. CAPURRO
Attorney for Sellers


STANLEY H. BROWN
Attorney for Purchaser

EX. No. 3

2150

1st Commercial Title, Inc.

01476

1400 SOUTH VIRGINIA STREET
RENO, NEVADA 89502

94-17
1212

7 73

ESTABLISHED 1900

\$10,500.00

ESCROW ACCOUNT

TO THE ORDER OF S. E. & A. CONSULTING ENGINEERS/PLANNERS

COPY NOT NEGOTIABLE

CAPTAIN GALT

NAME CONFORTS

ESCROW NO 26673-2

Survey Fee

\$10,500.00

PLEASE PRESENT FOR PAYMENT
WITHIN 60 DAYS.

1st Commercial Title, Inc.
RENO, NEVADA 89502

No. 014765

EX. No. 4

2151

1st Commercial Title, Inc

1400 SOUTH VIRGINIA STREET
RENO, NEVADA 89502

014754

94-11
1212

PAID
JUN 12 1973
FIRST NATIONAL BANK OF NEVADA

JUN 6 73

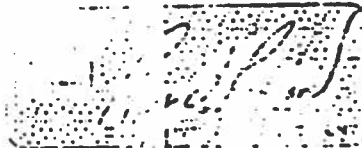
PAY

FIRST NATIONAL BANK OF NEVADA
SERVICE **340,000.00**

\$40,000.00
ESCROW ACCOUNT

TO THE
ORDER
OF

WASHOE REALTY



⑈014754⑈ ⑆222⑈0011⑆ 170⑈168 9⑈ ⑆0004000000⑆

WASHOE REALTY
FOR DEPOSIT
Clyde E. Beal

RECEIVED
JUN 11 1973
RE: [illegible]
OLIE

JUN 11 1973 05 0322

EX. No. 5

2152

1st Commercial Title, Inc.

1403 SOUTH VIRGINIA STREET
RENO, NEVADA 89502

014753

84-11
1212

673

TO THE
ORDER
OF

HUFFERY REAL ESTATE

\$20,000.00
ESCPW ACCOUNT

COPY NOT NEGOTIABLE

NAME

CAPURPO

NAME CORPORATE

ESCPW NO. 25673-2

Commission \$30,000.00, less portion of survey \$10,000.00

REPAY

\$20,000.00

PLEASE PRESENT FOR PAYMENT
WITHIN 60 DAYS.

1st Commercial Title, Inc.
RENO, NEVADA 89502

No. 01475

EX. No. 6

2153

1st Commercial Title, Inc.

1430 SOUTH VIRGINIA STREET
RENO, NEVADA 89502

01475

BA-11
1212

6 73

\$16,101.25

PAY

FIRST IN SERVICE

ESCROW ACCOUNT

TO THE ORDER OF JOSEPH CONFORTE

COPY NOT NEGOTIABLE

NAME

CAPURRO/GALLI

NAME CONFORTE

ESCROW 4326673-2

Residue of commission per instructions

\$16,101.25

Handwritten: P-100-820

PLEASE PRESENT FOR PAYMENT
WITHIN 90 DAYS.

1st Commercial Title, Inc.
RENO, NEVADA 89502

01475

EX. No. 7

2154

WILLIAM T. HUMPHREYS
455 APPLE STREET
RENO, NEVADA 89502

2000

PA-8
1212

6-7 1073

PAY TO THE ORDER OF STAN DRARVEJCH
EIGHTEEN THOUSAND AND ^{NO} 100 ¹⁰⁰ 00 DOLLARS

RENO MAIN OFFICE
Security
NATIONAL BANK OF NEVADA

100 WEST FIRST STREET
RENO, NEVADA

William T. Humphreys

⑆ 1212 ⑈0009⑆ 009 408 6⑈ ⑈0001800000⑈

Handwritten signature

34-4290-004
OB 1266

VALLEY BANK P.E.S.
VALLEY BANK OF NEVADA
Reno Main Office
3429 AA 91-29

IN-873 111 3535

2155

EX. No. 8

Conforte land broker check copy shows \$18,000 to Drakulich

By MIKE REED

State Sen. Stan Drakulich, D-Sparks, refused to comment today about a photostatic copy of an \$18,000 check made out to him by one of the realtors who participated in the sale of Capurro property to brother operator Joe Conforte.

Drakulich was asked by the Reno Evening Gazette if he were involved in the land transaction in any way. He refused to comment.

The photostatic copy of the check and another photostatic copy of a similar check were put into the hands of the Gazette by a source.

The photostatic copy is of a 1st Commercial Bank, Inc. account check in the amount of \$20,000 to the order of Humphrey Real Estate. This copy shows it is related to a \$20,000 commission in the Capurro-Conforte land exchange, less portion of survey \$10,000.

Realtor William Humphreys, who said on March 23 he participated in the sale, today refused to comment about the photostatic copy of the escrow check.

He and Drakulich also refused to comment about the photostatic copy of a check shown in the account of William F. Humphreys for \$18,000 to Drakulich. Drakulich said today he and Humphreys were business associates.

The photostatic copies list the escrow check to Humphrey Real Estate as made out on June 5, 1973 and the Humphreys check to Drakulich as made out on June 7, 1973.

Drakulich paid the Internal Revenue Service \$13,170.53 in June 1973. The payment was for back taxes and interest.

Reno Councilman Clyde Bigliari, owner of Washoe Realty, said in March his firm also participated in the land transaction.

Bigliari said his firm received \$40,000 as a commission in the sale, while Humphreys at that time would not disclose his commission. Today Humphreys refused any comment.

The Reno Sparks Convention Authority voted this week

(Turn to page 1, col. 1)

Conforte land broker check copy shows \$18,000 to Drakulich

(Continued from Page 1)

to purchase 200 acres of 350 acres of the land purchased last June by Conforte for eventual development as a golf course.

In a telephone interview this morning, Drakulich refused to talk about the copies of the checks as long as a reporter was taking his statements down on a typewriter.

"If you don't stop typing, I'm going to come down there and tear that typewriter out," Drakulich said at one point in the telephone conversation.

But he offered to meet with the reporter in his Sparks office.

At his office, Drakulich refused to allow two newspapermen who he had invited to interview him there to take any notes.

He sat at his desk with a tape recorder and taped the interview.

Drakulich said he would provide a written statement to the newspapers under the condition there could be no editing and that it must be printed verbatim.

The reporters checked with editors in Reno by phone and were told to explain to him that the newspapers could not assure publication of a complete statement without having seen its content, that they must reserve the right to edit for libel and grammar. They did offer to take the essence of his statement.

Drakulich then refused to give the written statement but he said:

Because of past experience with newspapers, he wanted to give a written statement.

Since there are other people involved and it seems to be very, very political, and the written statement is not acceptable, then he preferred to make no comment, he said.

Editors did not say the written statement was not acceptable since they had not been shown it by Drakulich and thus could make no editorial judgment.

SENATE BILL NO. 152—COMMITTEE ON FEDERAL, STATE
AND LOCAL GOVERNMENTS

FEBRUARY 1, 1973

Referred to Committee on Federal, State and Local Governments

SUMMARY—Reduces minimum population requirements of counties for special provisions concerning county fair and recreation boards. Fiscal Note: No. (BDR 20-776)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to county fair and recreation boards; reducing the minimum population requirement of counties to which certain provisions apply; and providing other matters properly relating thereto.

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

- 1 SECTION 1. NRS 244.645 is hereby amended to read as follows:
2 244.645 1. Whenever the board of county commissioners of any
3 county or the board of supervisors of Carson City desires the powers
4 granted in NRS 244.640 to 244.780, inclusive, to be exercised, it shall,
5 by resolution, determine that the interest of the county and the public
6 interest, necessity or desirability require the exercise of such powers and
7 the creation of a county fair and recreation board therefor, pursuant to
8 the provisions of NRS 244.640 to 244.780, inclusive. After approval
9 of the resolution, the county or city clerk shall:
10 (a) Cause a copy of the resolution to be published promptly once in
11 a newspaper published in and of general circulation in the county or city;
12 and
13 (b) In the case of a county, cause a certified copy of the resolution to
14 be mailed by registered or certified mail to the mayor or other chief execu-
15 tive officer of each incorporated city within the county.
16 2. In counties having a population of ~~200,000~~ 100,000 or more,
17 the county fair and recreation board shall be selected as provided in NRS
18 244.7802. [In counties having a population of 100,000 or more and less
19 than 200,000, the most populous incorporated city in the county shall be
20 represented on the county fair and recreation board by two members, and
21 the next most populous incorporated city by one member.] In counties
22 having a population of 11,000 or more and less than 100,000, and in
23 which there is one or more incorporated city, each incorporated city,

EX. No. 10

1 except an incorporated city which is the county seat, shall be represented
2 by one member and any incorporated city which is the county seat shall
3 be represented by four members. Within 30 days after the day of publica-
4 tion of the resolution or the day on which the last of the copies of the
5 resolution was mailed, whichever day is later, the mayor or other chief
6 executive officer shall, with the approval of the legislative body of the
7 city, appoint a member or members of the city council or board of trust-
8 tees to serve on the board for the remainder of his or their terms of
9 office. The clerk or secretary of the city shall promptly certify the
10 appointment by registered or certified mail to the county clerk. In coun-
11 ties having a population of less than 11,000, any incorporated city which
12 is the county seat shall be represented by one member, who shall be
13 appointed and certified as provided in this section, and the board of
14 county commissioners shall appoint three representatives as follows:

- 15 (a) One member to represent the motel operators in the county.
- 16 (b) One member to represent the hotel operators in the county.
- 17 (c) One member to represent the other commercial interests in the
18 county.

19 3. [In counties having a population of 100,000 or more and less than
20 200,000, two members of the board of county commissioners shall be
21 appointed by the board of county commissioners to serve on the board
22 for the remainder of their terms of office.] In counties having a popula-
23 tion of less than 100,000, one member of the board of county commis-
24 sioners shall be appointed by the county commissioners to serve on the
25 board for the remainder of his term of office.

26 4. Population shall be determined by the last preceding national
27 census of the Bureau of the Census of the United States Department of
28 Commerce.

29 5. In Carson City the board of supervisors shall appoint five repre-
30 sentatives to the fair and recreation board established as provided in
31 subsection 1 as follows:

- 32 (a) Two members to represent the hotel and motel operators in the
33 city.
- 34 (b) One member to represent the other commercial interests in the
35 city.
- 36 (c) One member who is a member of the board of supervisors.
- 37 (d) One member to represent the city at large.

38 6. The terms of all members appointed pursuant to this section, who
39 are not elected officials, shall terminate on January 1, 1972. Thereafter,
40 such members shall be appointed for 2-year terms. Any such member
41 may succeed himself.

42 7. The terms of all elected officials shall be coterminous with their
43 terms of office. Any such member may succeed himself.

44 SEC. 2. NRS 244.7801 is hereby amended to read as follows:
45 244.7801 The provisions of NRS 244.7801 to 244.7806, inclusive,
46 apply to any county having a population of [200,000] 100,000 or more,
47 as determined by the last preceding national census of the Bureau of the
48 Census of the United States Department of Commerce.

CONSIDERATION INSTRUCTIONS

Paid outside of escrow	\$ _____
Cash through escrow:		
Deposited herewith	\$ _____
To be deposited	\$ <u>813,750.00</u>
Encumbrance(s) of record (to remain)	\$ _____
.....	\$ _____
.....	\$ _____
New Encumbrances	See Item No. 5	\$ <u>165,956.50</u>
Other	\$ _____
TOTAL CONSIDERATION	\$ <u>979,706.50</u>

ENCUMBRANCES OF RECORD SUBJECT TO MENCUMBRARY STATEMENT. MAINTAIN TOTAL CONSIDERATION BY ADJUSTING CASH THROUGH ESCROW OR NEW ENCUMBRANCES.

I AM SELLING TO: **RENO-SPARKS CONVENTION AUTHORITY**

The property hereinafter described on the terms herein set forth, and will hand you ~~an~~ instrument conveying the said property which is described as follows, to-wit: (If additional space is needed, attach Exhibit.) 214.657 acres located in the City of Sparks, more particularly described in preliminary title report dated August 15, 1974, including 275 acre feet of water appurtenant, from Orr Ditch and appropriate shares in ORR DITCH CO.. The purchase price of this property has been computed at \$4,500.00 per acre, plus \$50.00 per acre foot for water rights.

I authorize you to deliver said instrument to the above named party or representative upon payment to you for my account of the cash consideration and/or new encumbrance(s) as specified in the Consideration Instructions hereinbefore set out and upon condition that you procure a Standard Form Joint Protection Policy of Title Insurance in the amount of \$ 965,956.50 and an ALTA Policy (if required by lender) in the amount of \$ _____ on the above described real property which will show that the title of said property is vested in: **The County of Washoe, State of Nevada, acting through its Reno-Sparks Convention Authority**

SUBJECT ONLY TO:

- (1) Taxes for the Fiscal Year 1974-75 INCLUDING ANY SECURED PERSONAL PROPERTY TAXES, and any and all taxes and assessments levied or assessed subsequent to date of these instructions, except as otherwise specifically required herein.
- (2) Lien, levied by the City of Reno-Sparks for sewer use fee. Sellers hereby agree said fee will be current at close of escrow.
- (3) Lien, (if any) for special assessments, to be assumed by buyer paid in full by seller
- (4) COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, RIGHTS, RIGHTS OF WAY AND EASEMENTS NOW OF RECORD (if any) affecting the use and occupancy of said property as the same now may appear of record, except as otherwise specifically required herein.

(5) Promissory Note and first Deed of Trust, to be recorded concurrently herewith, to be executed by buyer in favor of sellers herein (beneficial interest to be established prior to the close of escrow), in the principal amount of \$165,956.50, stating that the entire principal balance, plus accrued interest at 8% per annum, will be due and payable on or before one (1) year from close of escrow.

If within five (5) years from the date of purchase, buyer, its successors, assigns, grantees or permittees shall not have in good faith commenced construction of an 18 hole public golf course on said lands, and, if buyer commences a sale of said land or a part thereof pursuant to NRS 244.281, sellers, their heirs or assigns, shall have the right to meet or better the terms of any bid on said land submitted by any third party at any such sale.

EX. No. 11

EXECUTION OF ALL DOCUMENTS IN CONNECTION WITH AN ASSUMPTION OF AND/OR NEW LOAN HEREIN REFERRED TO SHALL BE DEEMED AS FULL APPROVAL OF THE TERMS THEREOF.
(Escrow Instructions continued on next page)