

JANUARY 2004

\$4.95

NEVADA BUSINESS • COM
Nevada
BUSINESS
JOURNAL



THE NEW FACE OF NEVADA

Minority-Owned Businesses Succeed in the Silver State

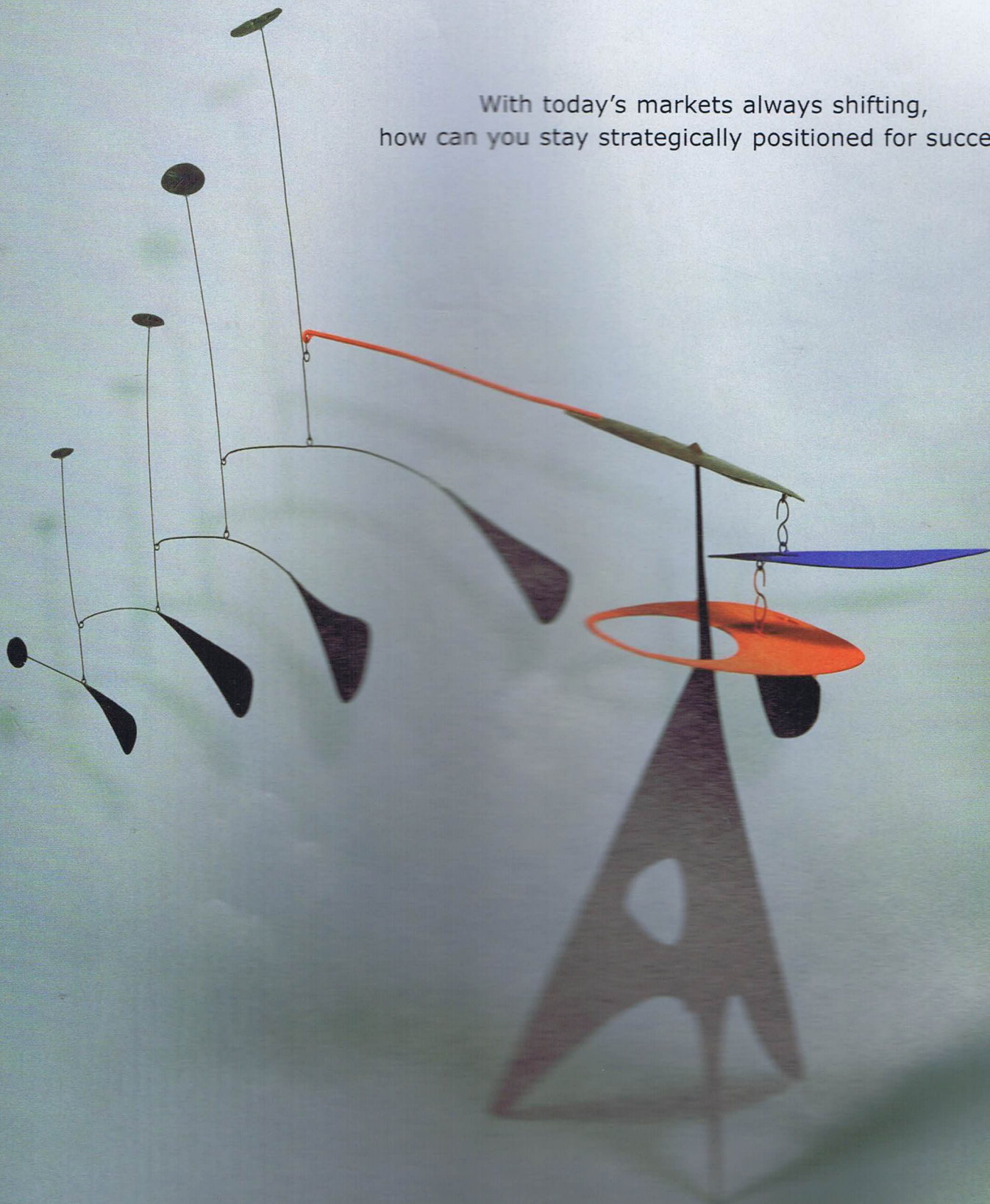
WELLNESS IS SERIOUS BUSINESS Nevada Companies Invest in Healthy Employees

SO YOU WANT TO DO A DEAL ... A Checklist for Business Owners

INDUSTRY FOCUS

ACCOUNTANTS CPA Firms Face Changes and Challenges

With today's markets always shifting,
how can you stay strategically positioned for success?



In business and in life, the only constant is change. That's why for over 100 years, companies like yours have trusted Levi's® to provide the balance that helps keep businesses large and small steady and strong.

LEVI'S
TRADE
MARK

(702) 949-8200 - www.levistrade.com - Levi's® is a registered trademark of Levi Strauss & Co. © 2003 Levi Strauss & Co. A Legacy of Integrity and Trust.™

Looking For A Diversified
Investment Strategy?

visit

Vestin Capital

Professional
Dedicated
Experienced

call today

702-876-1143

888-232-7612



VESTIN CAPITAL

Member NASD/SIPC

Joe Namath is a paid spokesman.





New Year's Resolutions For Nevadans We All Know

At this time of year, it's traditional to make resolutions for the New Year. In that spirit, here are some suggestions for New Year's Resolutions for some people you probably know:



- Nevada ranchers:** Resolve to keep up the good fight to preserve our way of life.
- Carole Villardo (Nevada Taxpayers Union):** Resolves to keep looking out for the interests of Nevada taxpayers.
- Thirsty Nevadans everywhere:** Resolve to conserve water wherever possible, and pray harder for snow in the Rockies.
- Nevada's educational elite:** Resolve to put the interests of kids ahead of their desire for political power.
- Nevada Supreme Court:** Resolve to re-read the Nevada Constitution one more time, paying special attention to the sections dealing with separation of powers.
- Assemblyman Wendell Williams:** Resolves to find a job as good as the last one – something with no accountability, lots of free time and unlimited perks.
- Las Vegas Mayor Oscar Goodman:** In order to remain the Happiest Mayor on Earth, resolves to find something workable for the 61 downtown acres.
- Reno mayor Bob Cashell:** Resolves to give Thunder Valley a run for its money.
- Gov. Kenny Guinn:** Resolves to get re-acquainted with the principles of the Republican Party.
- Assemblyman Richard Perkins:** Resolves to find some loophole in the federal Hatch Act.
- Sen. Bill Raggio:** Resolves to keep a tight grip on the reins of power for one more session.
- Former Governor Robert List:** Resolves to do whatever it takes to bring the Yucca Mountain project to Nevada.
- Former Sen. Richard Bryan:** Resolves to do whatever it takes to keep the Yucca Mountain project out of Nevada.
- Chuck Alvey (EDAWN):** Resolves to convince so many California companies to move "over the hill" that Reno runs out of space for them.
- Nevada bankers:** Resolve to pay more attention to lobbying during the next legislative session, so they won't be blindsided again.
- Nevada manufacturers:** Resolve to hang in there until the national economy improves.
- Las Vegas Convention & Visitors Authority:** Resolves to rediscover the Las Vegas magic without descending into sleaze.
- Reno/Sparks Convention & Visitors Authority:** Resolves to keep the howlers howling, the gamblers gambling and the Hot August Nights hot.
- Rural Nevada:** Resolves to get more respect and more visitors from the rest of the state.
- Residential builders:** Resolve to fill the Truckee Meadows and the Las Vegas Valley with new homes from mountain to mountain.
- Commercial real estate developers:** Resolve to find a way to keep residential developers from buying up all the land.
- Nevada CPAs:** Resolve to spend as many sleepless nights as it takes to figure out the new Nevada tax code.
- Nevada hospital CEOs:** Resolve to find enough medical professionals to staff all the new facilities.
- Nevada employers:** Resolve to find a way to make enough money so we can afford healthcare for our employees.
- Nevada Business Journal:** We resolve to keep on doing our best to represent and fight for the interests of Nevada's business community.

COMMENTS? email: lyle@nvbj.com



Features

13 The New Face of Nevada

HOWARD STUTZ

Minority-Owned Businesses Succeed in the Silver State

17 **INDUSTRY FOCUS** Accountants

KATHLEEN FOLEY

CPA Firms Face Changes and Challenges

22 Wellness is Serious Business

RUTH FURMAN

Nevada Companies Invest in Healthy Employees

24 So You Want To Do A Deal...

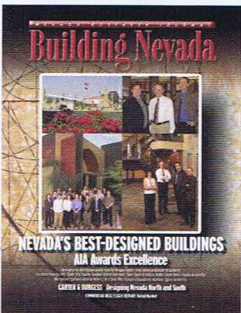
NEAL A. KLEGERMAN

A Checklist for Business Owners



These minority business owners are helping shape a new, more diversified Nevada economy: (Left to right from top): Dr. Anthony Pollard and Diane Hughes, Rainbow Medical Centers; Brian Loy, Sage Financial Advisors; Luther Mack, Mack Associates; Steve Cerroche, IQ Systems; Herman Ross, National Insurance Consultants, Inc.; Robert Gomez, Magic Brite Janitorial; Kim Flowers, John Robert Powers modeling schools; John Restrepo, Restrepo Consulting Group.

Building Nevada



26 Nevada's Best-Designed Buildings

CAROL PATTON

AIA Awards Excellence

29 Carter & Burgess

ROBYN CAMPBELL-OUCHIDA

Designing Nevada North and South

29 Commercial Real Estate Market Report

Third Quarter 2003 – Retail Market

30 Building Nevada News in Brief

- Firecreek Crossing Power Center Sold
- Clark & Sullivan Builds Justice Facility
- Contractors Association Presents Awards
- Construction Begins on Longford Medical Center
- Employee Housing Community Set for Primm
- PENTA Building Timeshare Project

31 Rentals in the Round

SHARON RORMAN

Architects Design Car-Rental Facility

These four commercial projects were among those voted the best in the state by the American Institute of Architects.

Departments

4 Commentary LYLE BRENNAN

New Year's Resolutions
For Nevadans We All Know

9 Business Up Front

- The Golf Score
- Clients Dissatisfied With Professional Firms
- EDARN Report Shows Job Growth

10 Letters To The Editor

Feedback on Recent Articles
Sen. John Ensign, Assemblyman David Goldwater

12 Face to Face

Tim R. Ruffin, Colliers International
Martha J. Ashcraft, Lewis and Roca LLP

20 Compassionate Capitalism

KIM BECKER

Business Community Investment Council
Businesses Working For a Better Community

34 Speaking for Nevada

STATE TREASURER BRIAN K. KROLICKI

Nevada's Millennium Scholarship Program
Facing Future Challenges

36 Inside Politics

MIKE SULLIVAN

The 2004 Political Season
Conflict and Turmoil Predicted

37 Money Management

RIC KELLOGG

Know the True Value of Your Business
Even if It Isn't for Sale

39 Vital Signs

JUDY ANDRESON

Meeting the Challenges of Rural Healthcare
NNRH Serves Elko County

43 Nevada Briefs

- Southern Nevada Paving Sold
- Sports and Recreation Complex Planned for Reno
- Business Bank to Enter North Las Vegas Market
- NCED Releases Statistics
- Ely Mine to Reopen

44 Business Indicators

R. KEITH SCHWER

Our December issue featured a Face-to-Face profile of Mark Hutchison, founding partner of Hutchison & Steffen, Ltd. We apologize for misspelling Mr. Hutchison's name.

Sure, Everyone Knows Commercial Real Estate Is All About Setting Priorities.

We're The Ones Who Put You First.

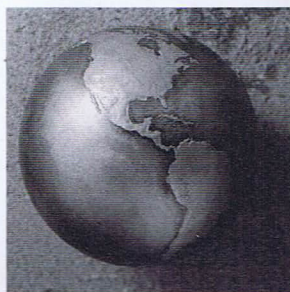
We are a client driven commercial real estate company that believes your business should be the first priority. And while this might be a unique point of view for a commercial real estate company, years of combined experience taught us that every other priority is just another means to support the first.

We're ready to earn it. 702.796.8888

3790 South Paradise Road, Suite 250, Las Vegas, NV 89109



We're Your Big 5* Firm



Tax Advisory & Preparation
Accounting and Auditing
Management Consulting
Information Technology
Financial Planning
Succession Planning

World-class Experience • Personal Attention
Professional Excellence • Reliability



**Fair, Anderson
& Langerman**

The **FAL** Family of Companies...

FVA
Fair, Anderson & Langerman
Investment Advisors, LLC

CLARITY
Advisors to Management

FAL
Fair, Anderson
& Langerman
Information Technology Services Group

3065 S. Jones Blvd., Ste. 100 Las Vegas, Nevada 89146
702.870.7999 Fax: 702.870.7342 www.falcpa.com

*Accounting firms in Las Vegas (Las Vegas Business Press, April 2002)

Nevada BUSINESS JOURNAL

A division of BUSINESS LINK, LLC



PUBLISHER

Lyle E. Brennan

lyle@nbj.com



PUBLISHER / CEO

Connie Brennan • connie@nbj.com

PRESIDENT

Mark Keays • mark@nbj.com

EDITOR

Kathleen Foley • kathleen@nbj.com

ART DIRECTOR

Joe Thomasula

GRAPHIC ARTIST

Chris Thomasson • chris-t@nbj.com

RESEARCH/RANKING NEVADA

info@nbj.com

ONLINE MARKETING DIRECTOR

Harry Benson • info@nbj.com

INTERNET/WEB SITE DIRECTOR

Max Acciutano

PUBLISHER'S ASSISTANT

DéAnna M. Price • deanna@nbj.com

CONTRIBUTING EDITORS

Judy Andreson • Kim Becker

Robyn Campbell-Ouchida • Sen. John Ensign

Kathleen Foley • Ruth Furman

David Goldwater • Ric Kellogg • Neal A. Klegerman

Brian K. Krolicki • Carol Patton • Sharon Rorman

R. Keith Schwer • Howard Stutz • Mike Sullivan

ADVERTISING / SALES

Connie Brennan • connie@nbj.com

Dawn Jenkins • dawn@nbj.com

SALES ASSISTANT

Linda McKeon

CORPORATE OFFICE

4386 S. Eastern Ave., Ste. B • Las Vegas, NV 89119

(702) 735-7003 • FAX (702) 733-5953

subscribers@nbj.com

NORTHERN NEVADA ADVISORY BOARD

Chuck Alvey • EDawn

Tony Armstrong • Mayor of Sparks

Tom Clark • Syndetic Partners

Connie Fent • Community Representative

Valerie Glenn • Rose Glenn Group

Jim Shaw • Wasboe County Commission

Harry York • Reno-Sparks Chamber of Commerce

Web Site: nbj.com • nevadabusiness.com

TopRank Nevada: topranknevada.com



Nevada Business Journal is a division of Business Link, LLC, 4386 S. Eastern Ave., Ste. B, Las Vegas, NV 89119. It is listed in Standard Rates and Data, #20A-Business-Metro, State and Regional. TopRank Nevada - Annual Statewide Book of Lists is a publication of Nevada Business Journal.

Advertisers should contact Sales at (702) 735-7003, or write to: Nevada Business Journal, 4386 S. Eastern Ave., Ste. B, Las Vegas, NV 89119. Demographic information available upon request. Month-to-month circulation may vary.

Nevada Business Journal is published monthly with one additional issue each year. Subscription rate is \$44.00 per year. Special order single-copy price is \$7.50. TopRank Nevada - Annual Statewide Book of Lists, a compilation of lists which have appeared in Nevada Business Journal over the past 12 months, is published on an annual basis.

All contents ©2004 copyright, and reproduction of material appearing in Nevada Business Journal and TopRank Nevada - Annual Statewide Book of Lists is prohibited unless so authorized by the publisher.

CHANGE OF ADDRESS: POSTMASTER: Send address changes to Nevada Business Journal, 4386 S. Eastern Ave., Ste. B, Las Vegas, NV 89119. Subscribers please include previous address or mailing label. Allow six weeks.

EDITORIAL SUBMISSIONS: Address all submissions to the attention of Kathleen Foley. Unsolicited manuscripts must be accompanied by a SASE. Nevada Business Journal assumes no responsibility for unsolicited materials.

DISCLAIMER: Editorial views expressed in this magazine, as well as those appearing in area focus and industry focus supplements are not necessarily those of the publisher or its boards.

LINCOLN COUNTY

Land of Opportunity



Residents of Lincoln County enjoy a rural lifestyle including access to outdoor activities such as hiking, fishing and picnics. Kershaw-Ryan State Park, shown here, is one of the county's many publicly-owned recreation sites.

Lincoln County is located north of Clark County and Las Vegas, on the Utah border. The south end of the county touches the Mojave; the north end has alpine lakes and reservoirs; Pioche, the county seat, is at 6,000 feet. It's a beautiful, rural county with five state parks, lots of space, plenty of water and not a lot of people – the population for the county is 4,600 people, living mostly in Caliente, Panaca, Alamo and Pioche.

Beautiful and spacious though it is, Lincoln County is facing economic challenges as its economic bases change. Caliente, the only incorporated city, started out as a railroad town – Union Pacific once had a roundhouse there and a considerable maintenance yard for the steam locomotives. But when Union Pacific changed to diesel, the roundhouse closed and railroad employment dropped.

Pioche was a mining town whose mining has all but ceased.

Panaca and Alamo are farming and ranching towns. With the increasing number of restrictions on the use of public lands, the county's agricultural sector is gradually shrinking – Lincoln County is 98 percent federally administered lands, with a very narrow private-land base.

Lincoln County Regional Development Authority was formed to address economic development county-wide, identify strengths and weaknesses, opportunities and threats to

existing businesses and to attract new business. Currently, government is the largest employer. The federal government employs people in the management of public lands, state-level employees work at youth training centers and boys' and girls' facilities at Caliente, and local government offers employment at county level.

Economic challenges have led to unexpected opportunity: low income and high unemployment in the county allowed the Small Business Administration to designate it a hub zone, which allows existing businesses to be certified as hub-zone businesses. The designation allows businesses to obtain contracts from the federal government through a non-competitive or restricted-competitive basis. The federal government can target procurements in hub zone areas and allow only a few businesses in that county to compete for available contracts.

Half a dozen businesses have been certified; a handful have been successful in contracting with the federal government, primarily the Department of Energy and its sub-contractors. In the last couple years three or four businesses have engaged in business relationships with the government and did about \$1.5 million worth of business each year, resulting in employment for four to five full-time persons. "They're very small numbers, but significant for existing businesses," said Mike Baughman, contract executive

director, Lincoln County Regional Development Authority.

There are advantages, as well as challenges, in Lincoln County. Land costs are competitive. Primary and secondary schools are excellent and the Community College of Southern Nevada offers higher education classes. Housing and rents are inexpensive. It's beautiful, and it's rural. Power comes from Hoover Dam. The county currently only uses approximately 40 percent of its allotment, so existing hydro-based power is available for new industry. Rail service is available through Caliente and US 93 provides access to the interstate highway system. There are no air-quality restrictions.

And there's ample water. Lincoln County Water Authority, created by the Legislature in cooperation with Caliente, is partnering with Vidler Water Company to identify and acquire groundwater resources for industrial purposes. This has led to the proposed 1100-megawatt water-cooled power plant on the Lincoln/Clark county line, a project that is moving toward construction as permitting completes its final steps.

Water Authority efforts are also tied into the Lincoln County Land Act, an initiative passed in 2000 that requires the federal Bureau of Land Management (BLM) to sell 13,500 acres in the southeastern corner of the county, just above Mesquite, for private development. The planned unit development, residential and commercial, will have a predicted population around 55,000. This represents tremendous growth for a county whose population currently sits at 4,600. Build-out is estimated at 40 to 50 years.

Another large development is the Coyote Springs master-planned community along the Lincoln/Clark county line – 30,000 acres billed as the next Palm Springs. Entitlements are already in hand to start work on the initial golf course and other facilities on the Clark County side.

Lincoln County is also inviting businesses priced out of Clark County to look its way. Meadow Valley Industrial Park is a 65-acre rail-served park under development at Caliente. A second park near Alamo will rely on Highway 93 for its 400-acre site; the first 90-acre phase has water rights in place and will move forward once Meadow Valley Park is up and running.

Lincoln County has one more advantage – a labor market of some 200 to 300 readily employable, underemployed or unemployed residents in a beautiful, rural county.

== LINCOLN COUNTY ==

Rural Nevada at its Best



Eagle Valley Reservoir, one of the many scenic attractions in Lincoln County, offers hiking, fishing and winter ice-fishing.

Five state parks, historic mining towns, off-road racing and beautifully preserved historic buildings such as the Million Dollar Courthouse – Lincoln County is the place to get away from it all and back to nature. This rural county north of Las Vegas offers outdoor recreation at elevations from 3,000 feet in the southern Mojave Desert end of the county to 9,296 feet at the top of Mt. Wilson to the north.

One of Lincoln County's biggest attractions is how very rural it is. Most of the county is public land, so there's ample opportunity for outdoor recreation.

And there are the state parks.

Cathedral Gorge State Park just 16 miles north of Caliente and five miles northwest of Panaca is a wild wash with spires of bentonite clay eroded into intricate shapes – dragons, cathedrals, pillars – whatever the imagination dreams up. There are trails, covered picnic areas, developed campsites and facilities.

Spring Valley State Recreation Area, 18 miles east of Pioche, is at the end of State Route 322. Eagle Valley Reservoir offers a boat launch ramp and campground with facilities, hiking, fishing and winter ice-fishing. Echo Canyon State Park, 12 miles east of Pioche, is popular for fishing and

boating and has paved roads and a full campground.

Beaver Dam, 35 miles east of Caliente, is one of the most remote state parks, with over 1,700 acres in high mountain pine forest. There are hiking trails, picnic facilities, developed campsites and a reservoir stocked with rainbow trout and crappie. At about 5,000 feet, the road to Beaver Dam can be impassable in winter.

Kershaw-Ryan State Park features vine-covered cliffs and a forest of oaks, picnic facilities, hiking trails and natural springs. The park is open for day-use only while the campgrounds are redeveloped after a flood washed through the park.

Lincoln County is the cross-country motorcycle and off-road racing center of eastern Nevada. There are weekend races all summer, including Best in the Desert in May, the Nevada 250 Off-Road in June and the Delamar 250 Off-Road in August.

Pahranagat National Wildlife Refuge just outside Alamo is a lay-over for migratory ducks, geese, swans, songbirds and raptors in spring and fall, and a perfect place for bird-watching. Desert National Wildlife Range is set aside primarily for desert bighorn sheep and is a habitat for mule deer, desert reptiles, mammals and migratory

birds. There are no developed campsites, but camping is allowed and the area is popular for big game hunting and picnicking.

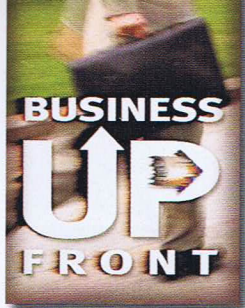
Hunting in Lincoln County isn't just for big game – Las Vegas residents visit the county in the winter, hunting for Christmas trees, pine nuts and firewood.

There are several ghost towns in Lincoln County: Hiko, once the county seat and now only a few remaining stone buildings, and Delamar, once the principal gold mining center in Nevada. West of Caliente, Crystal Spring was the proposed county seat, but the town never grew past a few dozen people. Today, all that remains is the spring and a stand of cottonwoods.

In 1871 Pioche was a thriving western town of 10,000 with 72 saloons, two breweries and two newspapers. Because Pioche was the county seat, the town had to build a courthouse. The original contract was for \$16,000, but even while it was under construction, there were alterations and changes and the cost swelled to \$75,000. The town couldn't pay the debt and interest accrued until, by the time the debt was retired in 1937, the courthouse cost over a million dollars and had been condemned for four years. The courthouse is one of Nevada's best-preserved historic buildings, open and staffed with a curator from April 15 to October 15. The jail still stands, and visitors can be photographed in the jury box amid mannequins and period pieces.

The towns in Lincoln County retain their historical flavor: Pioche was a mining town and stages heritage plays during the summer that feature notorious characters from the past. Labor Day celebrations attract thousands for the Saturday night electric light parade with lighted floats. Caliente was a railroad town on the Union Pacific line and today is building a rail-served industrial park. The town celebrates Homecoming Days in May. Panaca, the oldest town in eastern Nevada, celebrates Pioneer Days in July and holds the Lincoln County fair in August. Panaca and Alamo are farming and ranching towns.

Whether you're looking for a quiet day picnicking, fishing and hiking or an adventure on the ATV trails, Lincoln County is the place to go to get away from it all, head outdoors and experience adventure, rural Nevada-style.



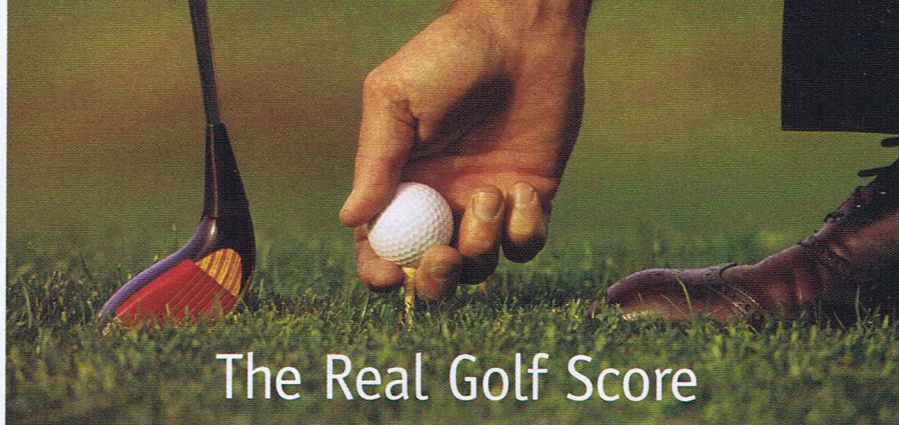
EDAWN REPORT SHOWS JOB GROWTH

The Economic Development Authority of Western Nevada (EDAWN) has released its first retention and expansion report (<http://www.edawn.org/bb/results.cfm>) forecasting positive business growth in Reno and Sparks over the next three years in the areas of finance, insurance, transportation and logistics. The Business Builders Phase One report indicates that the 66 Reno/Sparks companies surveyed are forecasting planned expansion resulting in 651 new jobs, 1.1 million in additional square footage and \$40 million in new capital investment by 2006.

Among the report findings: 22 percent of the companies plan to increase employment; 68 percent expect employment to remain stable; and 10 percent expect to decrease their employee base. Additionally, when asked to rate the workforce based on a rating of one to five, with five being the highest, the companies surveyed rated workforce productivity a 4.04, workforce stability a 3.27, quality of workforce a 3.19 score and the availability of workforce a 3.31.

"What this tells us is that local companies are relatively optimistic about the workforce in our region, which is a perception we continue to address with companies about the quality and stability of our workforce in Northern Nevada," said Gail Conkey, EDAWN's director of business services.

"Companies consistently say quality of life is the most important factor in doing business in Northern Nevada. Lifestyle, followed by a business-friendly environment, are Nevada's biggest incentives for a company to relocate or expand here," Conkey said. "What this tells us is that local companies are relatively optimistic about the workforce in our region."



The Real Golf Score

You know that business is done on the golf course, but you may not realize the impact the golf industry has on the Las Vegas economy. According to a Restrepo Consulting Group study, the industry generates \$891 million a year. "This report clearly indicates the golf industry's importance to the Southern Nevada economy," said John Restrepo, the firm's principal. "The industry contributes over \$400 million in direct financial contributions and creates nearly 4,500 jobs. This is clearly a sizable contribution by any one industry."

Additional findings from the study of figures from 2002 include:

- Average number of rounds of golf played per Southern Nevada course: 38,000
- Rounds of golf played by visitors to Las Vegas: 1,402,860
- Rounds of golf played by residents of Las Vegas: 665,570
- Visitors who came to Las Vegas specifically to golf: 1,823,718
- Economic impact by tourist golfers: \$614.8 million
- Economic impact by resident golfers: \$276.2 million

CLIENTS DISSATISFIED WITH PROFESSIONAL FIRMS

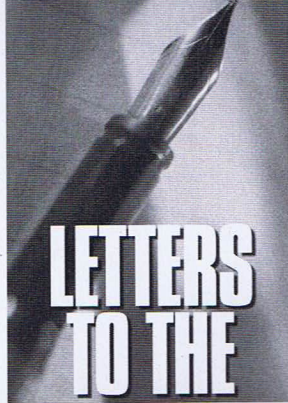
Corporate executives are deeply dissatisfied with the work product provided by their accounting, legal, IT and other consultants, according to a recent survey. As a result, according to the survey, one in nine professional services or consulting relationships could be terminated in the next 12 months. The survey was conducted during the spring and summer of 2003 by Albany-based business analysis firm Ross McManus of more than 1,200 Fortune 1000 senior executives from over 20 percent of the firms in the Fortune 1000. Results indicated consultants and professional service providers rate only a C+ grade from their clients for overall satisfaction. Many long-standing consulting relationships would soon be put up for review, according to the survey.

"The 'knowledge industry' of accountants, lawyers and professional services providers does not seem to grasp the magnitude of the problem," said Mac McManus, survey author and principal of Ross McManus. "This is a wakeup call to these consultants, who will need to change this perception or face the consequences of lost business."

Concerns, according to the survey, may have been long-simmering among corporate clients, but the post-Enron regulatory and governance climate has created a catalyst for companies to re-evaluate even longstanding relationships with their consultants. The report, titled *Selling and Satisfying the Fortune 1000 in a Post-Enron World*, details the permanent changes to the consulting landscape brought about by new government regulations such as Sarbanes-Oxley and the USA Patriot Act of 2001, as well as by increased public scrutiny of corporate governance practices. Highlights of the findings include:

- One in nine C-level executives deemed relationships with their professional services providers and consultants as "significantly deteriorating", possibly leading to termination within the next 12 months.
- Senior executives rate overall satisfaction with their professional services providers and consultants as only a C+, or 7.8 points on a 10-point scale.
- Ninety-six percent of senior executives say that understanding their business is their most important satisfaction characteristic; however, only 72 percent said they were satisfied that their professional services providers and consultants had a good understanding of their businesses.
- Not understanding their business was the number-one reason for terminating professional service providers and consultants.





LETTERS TO THE EDITOR

Scott Craigie's "Inside Politics" article in the November issue of *Nevada Business Journal* drew the following response from Sen. John Ensign:

The No Child Left Behind (NCLB) legislation was recently the topic of an editorial on these pages. I found the editorial to be misleading, and as a member of the conference committee appointed to work out differences between the House and Senate versions in Congress, I feel compelled to respond.

NCLB is about accountability. It is about providing parents with as much information about schools' performances as possible so they can make the best decisions in regard to their children's education. NCLB is about preparing children to succeed in higher levels of education and in their later lives. For too long, our education system has been obsessed with maintaining a failing status quo, apologizing for dismal levels of learning, throwing money at the problem with no real plan, and trapping young students in failing schools that are part of a failing system. Every child in every classroom throughout Nevada and across the country deserves better. So do their parents. That is what NCLB represents.

The editorial printed recently here condemns President Bush and Congress for not adequately funding NCLB and decries the tax dollars required for the program's phase-in in Clark County. But here, the editorial misses a crucial point often ignored by its critics: NCLB contains specific provisions, which I helped craft during the conference on the bill, prohibiting any unfunded mandates on the states. If

the law calls for testing but doesn't provide the funding for that testing, the testing does not have to be implemented.

In addition, I worked during the conference to ensure that funding formulas used in NCLB utilized the most recent population data available. Because of this change and the increased amounts of money given to education programs from the federal government, Nevada has seen historic increases in federal funding for our schools. This, too, is part of my commitment to provide the resources necessary to improve educational opportunities for Nevada's children.

The editorial refers to "unforgiving mandates" on children who are limited English proficient (LEP). The legislation does contain stringent requirements on these children—requirements I believe represent a fair and balanced approach. Each LEP student has three years to learn English before being required to take the test solely in English. This testing is essential to learning what these children can do so that we can push our education system to give them the education they deserve. We cannot allow these children to continue to be without the benefits of English proficiency.

Critics of NCLB, like the author of the recent editorial, love to claim that LEP students are not going to get the funding they need to succeed. This notion is false. NCLB contains a whole separate title in the legislation in regard to LEP children. Each state receives a grant from the federal government to assist with these costs. Last year Nevada received \$3.67 million in funding for this program.

No Child Left Behind is an opportunity to usher in a new era of accountability in our education system. Parents are finally empowered with the tools to guarantee that their children are not left behind. Yes, it shakes up the status quo in education and challenges our children and our schools to soar to new heights. In my view, business as usual does not make the grade when it comes to our children and their education.

Sen. John Ensign

Our October issue contained a "Speaking for Nevada" piece by Assemblyman Bob Beers (R, Clark 4), regarding the use of statistics for political purposes. Here is a rebuttal from Assemblyman David Goldwater (D, Clark 10):

"Facts," said Mark Twain, "are stubborn. Statistics are more pliable." There is no question my legislative colleague's recent article in the *Nevada Business Journal* titled, "These Are a Few of My Favorite Statistics", relied on the flexibility of statistics rather than the rigidity of facts. As elected officials, it is our duty to provide government's service to the citizens as efficiently and effectively as possible. Statistics are just a tool. Statistics don't live in Nevada, people do.

The Tax Foundation, says my colleague, ranks Nevada as the 13th-highest taxed state. Rankings were based on five factors, including corporate income tax, individual income tax, sales and gross receipts tax, fiscal balance and tax-base conformity. Based on those factors, Nevada ranks third overall for states with a favorable business tax climate, with Nevada being an elite state without a corporate income tax and no personal income tax. We can bury ourselves in The Tax Foundation's work or we can ask our friends and neighbors what is happening to them.

The fact is, Nevada is a great place to do business. Taxes are necessary in every state, and no one would do business in a state that did not have any. Hundreds of companies come to Nevada every month. Thousands more choose to stay in Nevada every day. Policymakers are trying to provide services to a population that is in jeopardy of outstripping its infrastructure, while trying to improve a sagging social fabric and educational system. The Tax Foundation provides a useful tool to understand Nevada juxtaposed to other states. Using that tool to help Nevadan's balance the demand for government's service with a workable tax system is the challenge facing elected officials. Using that tool as an instrument of demagoguery is failing our constituents.

Continued on Page 40



Business Bank's Kelly Blakeslee with Mr. Sang Ok Pak and Mrs. Pyong Hui Pak from Asian Market, Inc.

"I'm a big fish in a small pond."

— Mr. Sang Ok Pak, Asian Market, Inc.

"Business Bank of Nevada is our partner. Why? They understand one of the great fundamentals of business - that if your client prospers, so do you. We had outgrown our 9,000 square foot market space and could no longer grow. So we called Business Bank and they got us an SBA 504 loan, allowing us to more than double our size. But the really great part is that we're paying just about the same for our new mortgage as we did before in rent. As we continue to grow, you can bet we'll come back to our partner, Business Bank of Nevada."



always there

Call Lori Haney in Northern Nevada at (775) 885-1220
or Tom Powers in Southern Nevada at (702) 952-4489



Member FDIC. Equal Housing Lender.

www.bbnv.com



Tim R. Ruffin

MANAGING PARTNER AND
VP OF OFFICE PROPERTIES
COLLIERS INTERNATIONAL
RENO

Years in Nevada: 13

Years with Firm: 4

Type of business

Commercial real estate brokerage and property management

Biggest business challenge

Maintaining the corporate culture as the firm continues to grow. We have doubled in size since we started, and now have over 35 employees in Reno. The challenge is to impart our values and beliefs to all employees so that we may best serve our clients.



What do you like best about your job?

There is no better feeling than closing a real estate deal that is good for both parties. In addition, my job allows me to contribute to the future development direction of the city, to ensure the market will meet future demand. I get involved in what will get built and where. The ability to collaborate with the city's top retail, industrial and land team in our office allows us to develop a truly comprehensive look at the community's commercial real estate future.

How do you prefer to spend time off work?

If my wife, Nancy, and I are not at a sporting event with one of my three boys, I'm usually in a community board meeting of some type. I have the good fortune of being Rotary assistant governor, WIN vice president of membership, on the pastoral council at church and on several other boards.

What would you like your legacy to be?

I would like my children and grandchildren to become hard-working, honorable and successful in their family, religious and professional endeavors.

Favorite business book

Good to Great, by Jim Collins

Which transaction brought you the most satisfaction?

Selling the former Cal Neva Tower to the city of Reno for a new city hall. It was a complicated transaction based upon the city's financing alternatives. It also helped revitalize the area around the former Mapes Hotel site and will bring more people into downtown Reno. It was a win-win transaction for the city and the seller.

Martha J. Ashcraft

SUPERVISING PARTNER
LEWIS AND ROCA LLP
LAS VEGAS

Years in Nevada: 35

Years with Firm: 4.5

Type of business

Law Firm

Biggest business challenge

Creating an office environment in which there is an exceptionally strong commitment to the highest standards of professionalism, service to our clients and the best quality work product, while trying to inspire an atmosphere of collegiality and teamwork. Because we have such terrific people in our office, I feel I have been fortunate enough to be able to meet this challenge.



What do you like best about your job?

The fact that I learn something new every day, and meet so many interesting people.

How do you prefer to spend time off work?

Traveling, cooking (my husband and I collect, and love to try new recipes from gourmet cookbooks), trying new restaurants in town, wine-tasting with friends,

reading, golfing and playing with our four-legged children – two dogs and two cats.

What would you like your legacy to be?

Professionally, I hope to be remembered as a person who was integrally involved in opening the Las Vegas office of Lewis and Roca LLP and making it a huge success. For me, a large part of that success is mentoring and nurturing young professionals, helping to develop their potential and encouraging them to be the very best.

Best business advice

Do what you love and love what you do. When you don't love practicing law any longer, find something else to do.

Greatest Legal Victory:

Winning motions for summary judgment and for judgment on the pleadings that got an elderly woman out of 14 years of emotionally distressing and financially devastating litigation, without having to go to trial. She was deeply grateful and said she felt she had been given her life back.

The New Face of Nevada

Minority-Owned Businesses Succeed in the Silver State

BY HOWARD STUTZ



Minority entrepreneurs, like any other business owners, face numerous challenges in getting a start-up company off the ground or growing an existing venture. In all enterprises, gaining access to available capital – to begin or to expand – is always arduous. When ethnicity is factored in, minority business operators are presented with a unique set of circumstances.

A sampling of successful minority business owners in Northern and Southern Nevada showed several similarities. All cited long hours, dedication and the willingness to service their clients or produce quality products as keys to making their businesses grow. Showing a commitment to their community and having longevity in Nevada were also important traits.

While there are several government certifications – in Nevada and through federal resources – that are available to minority-owned businesses, such as gaining Disadvantaged Business Enterprise (DBE) status, or the Small Business Administration's 8(a) Minority Development Program designation, several opt out of such descriptions.

The explanations vary geographically, said Leslie Mix, the president and chief executive officer of the Hispanic Chamber of Commerce in Reno. "There are really only two reasons to be qualified as a minority-owned business," Mix said. "One would be if it gives you a financial advan-

tage, such as qualifying for various loans. The other reason is if you're applying for government contracts. Otherwise, the big difference is between Reno and Las Vegas. People are flooding into Southern Nevada and emerging Hispanic business owners need any edge they can get."

Mix can recite numerous statistics available on minority communities, primarily the booming Hispanic market. According to the United States Census, Nevada's Hispanic population grew by 15 percent between July 2000 and July 2002, the third-fastest growth rate among states. The growth rate for Hispanics in the Silver State nearly doubled Nevada's overall growth rate of 7.7 percent for the two-year period, according to Jeff Hardcastle, Nevada's state demographer.

While most national studies have fo-

cused on the rapid growth of the Hispanic population, Asians and African-American entrepreneurs have successfully grown businesses throughout Nevada. Louis Overstreet, executive director of the Las Vegas Urban Chamber of Commerce, which offers assistance and guidance to the African-American business community, said the reason minorities open their own companies remain constant over the years.

"There was a study done a few years ago and I believe it still holds true today," Overstreet said. "When whites were asked why they went into business for themselves, the response was to make money. For African-Americans, the response overwhelmingly was to become their own bosses. Our efforts over the past few years have helped minority businesses make progress, such as getting the gaming industry to diversify its list of vendors, but there is still much more to do."

One thread woven through the comments of minority business owners is that opportunities are there for those willing to persevere. When Luther Mack decided to open a McDonald's franchise some 30 years ago, his biggest challenge came from other fast-food operations in the Reno market. Mack, a life-long Northern Nevada resident, said the fact that there were very few African-American-owned businesses in Reno at the time didn't present a negative.



"I was somewhat known and I had a lot of good friends who supported me," Mack said. "My race really wasn't a factor. I had the desire to succeed and that's what helped me along. I never really pursued the minority business angle. I had my own funds to get started and I was able to grow the business through good service and hard work." Today, Mack operates 10 McDonald's restaurants in Reno and employs more than 400 workers. He sits on the boards of numerous community organizations and recently resigned as a 14-year

member of the Nevada State Athletic Commission because of his election to the board of directors of the publicly-traded Boyd Gaming Corp. – the owner-operator of 13 major casinos, including the Stardust Hotel in Las Vegas.

Robert Gomez took a route different from Mack when he went to expand Magic Brite Janitorial, a Las Vegas-based five-person custodial service he purchased from his father-in-law in 1993. Gomez sought several small business loans and financing opportunities to help him take the

business in a new direction. He wanted to make a move from cleaning multiple Southern Nevada convenience stores to providing custodial services to larger buildings and other facilities.

"I would go to a lending institution. They would say, 'no' and tell me what I needed to accomplish," Gomez said. "To me, 'no' meant 'on' when you looked at the word in a mirror. I'd always come back with what they wanted, and say, 'Okay, I've done what you've asked of me.'" Gomez entered Magic Brite Janitorial into the SBA 8(a) program in 1996. Today, the company employs 150 workers at eight locations in two states, providing commercial facility management, janitorial or maintenance services in more than 25 federal buildings or U.S. courthouses covering some 6 million square feet of space.

In 2003, the Las Vegas Latin Chamber of Commerce named Gomez the Entrepreneur of the Year. He is passing on his knowledge of government procurements to other Latin Chamber members through the establishment of minority business education seminars. "There has been a great disparity between the percentage of procurements awarded to Hispanic companies and the Hispanic population percentage in Clark County," Gomez said. "The chamber's Business Development Committee put together a strategic plan in 2002 to help close the gap and give minority businesses the tools they need to succeed."

Herman Ross, president of National Insurance Consultants, a Las Vegas-based commercial insurance carrier with clients throughout the United States, including Nevada's Regional Transportation Commission, said he prefers to bid as a prime contractor or vendor, rather than as a business designated by the government as a DBE. "In nine out of 10 bids, people don't know I'm a minority until I show up in person," Ross said. Although he served three years as business chairman for the Nevada Minority Purchasing Council, Ross advises people not to advertise their companies as minority-owned businesses when bidding for contracts. "Registering as a DBE can help you get started by providing access to capital," he noted. "But why be pigeon-holed? Joint-venture with another

IT'S NO LONGER BUSINESS AS USUAL

Southern Nevada is in the worst drought on record. For details on drought restrictions and penalties that may affect your business, contact your water provider. For programs that can help your business save money and water, call 258-SAVE or visit snwa.com.



Southern Nevada
Water Authority

**WATER
SMART**

258-SAVE • snwa.com

Be the solution.



SNWA Member Agencies: Big Bend Water District • Boulder City • Clark County Water Reclamation District • City of Henderson • City of Las Vegas • City of North Las Vegas • Las Vegas Valley Water District

"I was somewhat known and I had a lot of good friends who supported me," Mack said. "My race really wasn't a factor. I had the desire to succeed and that's what helped me along. I never really pursued the minority business angle. I had my own funds to get started and I was able to grow the business through good service and hard work." Today, Mack operates 10 McDonald's restaurants in Reno and employs more than 400 workers. He sits on the boards of numerous community organizations and recently resigned as a 14-year

member of the Nevada State Athletic Commission because of his election to the board of directors of the publicly-traded Boyd Gaming Corp. – the owner-operator of 13 major casinos, including the Stardust Hotel in Las Vegas.

Robert Gomez took a route different from Mack when he went to expand Magic Brite Janitorial, a Las Vegas-based five-person custodial service he purchased from his father-in-law in 1993. Gomez sought several small business loans and financing opportunities to help him take the

business in a new direction. He wanted to make a move from cleaning multiple Southern Nevada convenience stores to providing custodial services to larger buildings and other facilities.

"I would go to a lending institution. They would say, 'no' and tell me what I needed to accomplish," Gomez said. "To me, 'no' meant 'on' when you looked at the word in a mirror. I'd always come back with what they wanted, and say, 'Okay, I've done what you've asked of me.'" Gomez entered Magic Brite Janitorial into the SBA 8(a) program in 1996. Today, the company employs 150 workers at eight locations in two states, providing commercial facility management, janitorial or maintenance services in more than 25 federal buildings or U.S. courthouses covering some 6 million square feet of space.

In 2003, the Las Vegas Latin Chamber of Commerce named Gomez the Entrepreneur of the Year. He is passing on his knowledge of government procurements to other Latin Chamber members through the establishment of minority business education seminars. "There has been a great disparity between the percentage of procurements awarded to Hispanic companies and the Hispanic population percentage in Clark County," Gomez said. "The chamber's Business Development Committee put together a strategic plan in 2002 to help close the gap and give minority businesses the tools they need to succeed."

Herman Ross, president of National Insurance Consultants, a Las Vegas-based commercial insurance carrier with clients throughout the United States, including Nevada's Regional Transportation Commission, said he prefers to bid as a prime contractor or vendor, rather than as a business designated by the government as a DBE. "In nine out of 10 bids, people don't know I'm a minority until I show up in person," Ross said. Although he served three years as business chairman for the Nevada Minority Purchasing Council, Ross advises people not to advertise their companies as minority-owned businesses when bidding for contracts. "Registering as a DBE can help you get started by providing access to capital," he noted. "But why be pigeon-holed? Joint-venture with another

IT'S NO LONGER BUSINESS AS USUAL

Southern Nevada is in the worst drought on record. For details on drought restrictions and penalties that may affect your business, contact your water provider. For programs that can help your business save money and water, call 258-SAVE or visit snwa.com.



Southern Nevada
Water Authority



Be the solution.



SNWA Member Agencies: Big Bend Water District • Boulder City • Clark County Water Reclamation District • City of Henderson • City of Las Vegas • City of North Las Vegas • Las Vegas Valley Water District

"We never rest on our laurels and we believe the quality of our work is what makes us stand out,"

company and get the whole pie, not just the piece they give you for being a minority-owned business."

Other businesses seem to have taken Ross's advice. Brian Loy figures many of his clients will first realize he's Asian by reading this article. Loy operates Sage Financial Advisors in Reno, which has 120 clients and manages a portfolio of \$42 million. Loy grew up in Northern Nevada, and his ties to the area have played a role in his success. "We work hard for our clients," Loy said. "I'm a business owner, and one out of every three of our clients is a small business owner as well. So, we understand their needs and concerns and offer personalized service. That has helped more than being of Chinese decent."

Ten years ago, when Steve Cerocke started IQ Systems, an information technology services company, he got encouragement from fellow members of the Pyramid Lake Paiute Tribe. Cerocke worked for the tribe for several years before branching into his own business, which now has offices in Reno and Northern California. "Working for the tribe gave me a start and offered me the opportunity to find that I really enjoyed working with computers and this was the direction I wanted to go," Cerocke said. "As far as promoting my company as a minority-owned business, that's not a card I've really played. We've just grown steadily by the good work we've performed."

John Restrepo had already built a solid reputation in Las Vegas when he launched the Restrepo Consulting Group, an economic and financial consulting business, in 1997. Restrepo spent eight years as a financial advisor with Coopers & Lybrand, building a strong client base that followed him when he branched out. Restrepo, who is Hispanic, registered his company as a DBE, which he said helps when vying for various consulting contracts in the public sector. He believes, however, that his longevity in Southern Nevada and his company's knowledge of economic and real estate

trends throughout the southwest are what help him remain competitive.

"We never rest on our laurels and we believe the quality of our work is what makes us stand out," Restrepo said. "We are able to show our skills and expertise and we have a proven record in assessing the effects of local, regional and national economic trends on urban real estate markets."

Diane Hughes and her husband, Dr. Anthony Pollard, founded Rainbow Medical Centers in Las Vegas 15 years ago. The couple operates seven locations throughout Southern Nevada, employing a staff of 11 full-time physicians and two physician assistants. Hughes said they have always marketed the medical practice to the Southern Nevada community as a whole, rather than just to the minority community.

"Our success is by providing just good, old-fashioned country doctoring,"

said Hughes, who recently celebrated 20 years of marriage with her business partner-husband. "We have forged good relationships with the hospitals and our patients. We provide a variety of health fairs and community partnerships. That is what has helped us succeed. We don't market ourselves as a minority business. You wouldn't know Dr. Pollard is African-American until you came in to the office."

In 1995, Kim Flowers became the first African-American to operate a John Robert Powers Modeling School franchise when she opened her business in Las Vegas. Four years later, she brought the program that teaches image, poise, communication and social graces to Reno. She recently opened franchises in Pasadena, Calif. and Jacksonville, Fla. Flowers also operates a talent agency for her successful clients.

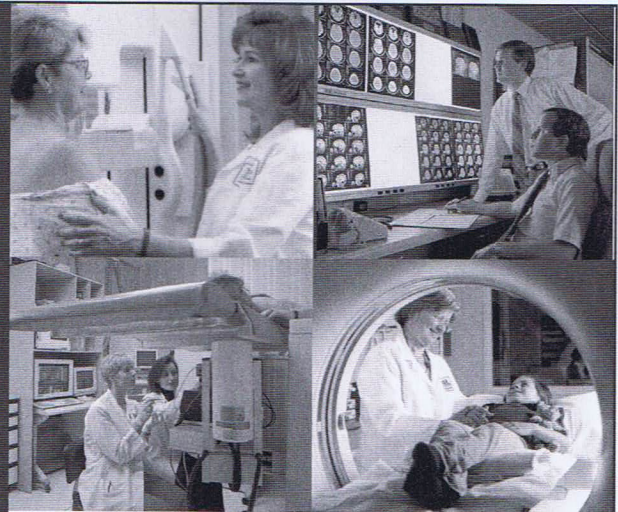
She accomplished her goals without trumpeting her minority status. "Being an African-American woman, there were plenty of obstacles to overcome," Flowers said. "I wouldn't take no for an answer. To me, no meant 'not right now'."

Services Available:

X-Ray
Angiography
Mammography
Ultrasound
PET
CT Scan
Stereotactic Breast Biopsy
Nuclear Medicine
MRI/MRA
DEXA
Body Fat Assessment

For more information regarding our procedures, please call 598-1006 or visit our website at www.desertrad.com.

DR
DESERT RADIOLOGISTS
382-XRAY(9729)



Excellence in Medical Imaging

Since 1966, Desert Radiologists has been committed to providing the finest, most comprehensive, state-of-the-art diagnostic procedures available.

- We respect the dignity of the individual and believe in showing compassion to our patients.
- We strive to provide efficient and cost-effective care.
- We pride ourselves on superb service to referring physicians and providing a strong cooperative partner to our hospital associates.
- We adapt to the ever-changing health care climate.
- We believe in creating an atmosphere of synergy among our employees and physicians.



Xtreme Accounting

Being in business is like running a gauntlet. There are hazards on both sides, each of them a potential trap to snare you or trip you up. It takes more than an accountant to monitor the health of your company. You need specialists in investment and financial planning, tax strategies, human resources and company benefits. You need a one-stop financial consulting firm that cares as much about your business as you do. Us.

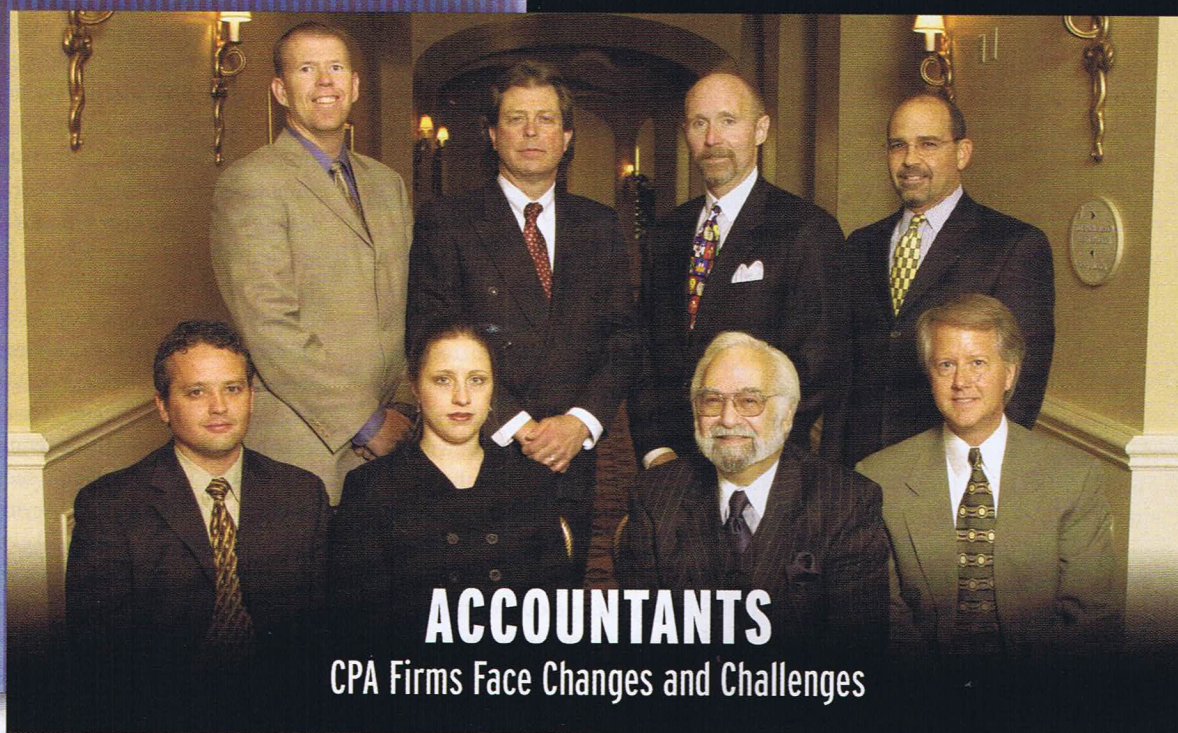
What's Your Problem?



L.L. Bradford & Company, LLC
Certified Public Accountants & Consultants

3441 S. Eastern Avenue • Las Vegas, NV 89109 • (702) 735-5030 • info@llbcpas.com

INDUSTRY FOCUS



ACCOUNTANTS

CPA Firms Face Changes and Challenges

BY KATHLEEN FOLEY

Representatives of the state's leading CPA firms gathered at the Four Seasons Hotel on November 14 to discuss issues affecting their profession. The gathering was part of *Nevada Business Journal's* monthly Industry Outlook series. Kathleen Foley, editor of *Nevada Business Journal*, served as moderator for the roundtable, which included discussion of the Sarbanes-Oxley Act of 2002, which was passed in the wake of the scandals involving Enron and the national CPA firm Arthur Andersen. Other issues highlighted were recruitment and retention of professional staff, changes in Nevada's tax structure and potential changes to regulations for private companies. Following is a condensed version of the discussion. Attendees were asked to introduce themselves and briefly describe what changes (if any) their firms have made in the wake of Sarbanes-Oxley.

David Hall: L.L. Bradford & Company is a very unique company in that we are large enough to do the same work as the large national firms, such as public company audits, but we are small enough to remember the importance of customer

service. Sarbanes-Oxley has created some interesting opportunities as well as challenges for us. It is providing us with additional work, but it has also increased overhead costs. We believe we will be able to recoup these costs, but if not, it will definitely affect our firm and the type of clients we perform work for in the future.

Bruce Patton: Patton & Petersen is a local firm established in 1986 to serve the needs of small and medium-sized businesses and owners. Our goal is to maximize and preserve our clients' profitability, while providing them flexibility and time to enjoy their success. We offer full accounting and tax services, including tax planning, technology implementation and business consulting. Our client concentrations include construction/real estate, professionals, retail and high-net-worth individuals. Our primary concern with Sarbanes-Oxley revolves around the trickle-down impact that may affect non-public companies. The federal law could be a template used by the states in designing new regulations that affect clients but provide little or no benefit.

Howard Levy: Piercy, Bowler, Taylor & Kern is among the largest local firms, and

STANDING (left to right):

David Hall: L.L. Bradford & Company, LLC

Bruce Patton: Patton & Petersen

Curt Anderson: Fair, Anderson & Langerman

Gary Johnson: Johnson Jacobson Wilcox

SEATED (left to right)

David Chavez: Chavez & Koch

Katina Peters: Tompkins & Peters CPAs

Howard Levy: Piercy Bowler Taylor & Kern

Bill Wells: RSM McGladrey

Photo: Opulence Studios, Inc.



FOUR SEASONS HOTEL
Las Vegas

we do work in almost every industry. We have a substantial audit and SEC practice, and, consequently, Sarbanes-Oxley is very important to us. We specialize primarily in gaming, government, not-for-profit, real estate and construction, but we handle just about everything that comes along. We also offer tax, litigation support and real estate valuation services.

Bill Wells: RSM McGladrey has over 100 offices nationwide and over 5,000 employees. Our office here has about 100 people, and it's a well-diversified practice. We're a CPA firm and also a business services firm, and I have served clients in a wide variety of industries.

Katina Peters: Tompkins & Peters CPAs has two offices, one here and one in Hamilton, Montana. We are a full-service firm specializing mostly in construction and non-profits. We also do litigation support and business evaluations, which is kind of a specialty.

David Chavez: Chavez & Koch does public audits also, so Sarbanes-Oxley has been great for us. We opened an office in San Diego last year, but we really hadn't started working it until May this year, so we're getting it off the ground now. We do a lot of retail, construction and gaming.

Curt Anderson: Fair, Anderson & Langerman is a mid-size local firm with about 30 people. We handle most industries, a lot of construction and real estate development and retail. We also offer management consulting and have a computer technology group. Sarbanes-Oxley hasn't really affected us yet.

Gary Johnson: Johnson Jacobson & Wilcox employs about 23 people. We serve closely-held businesses – no public work at all. Some of our clients are in real estate, development, construction, auto dealers. We do succession planning for closely-held businesses.

Kathleen Foley: The first topic on the agenda is the Sarbanes-Oxley Act. It's going to affect some of you more than others, depending on which firms serve more publicly-owned companies. Mr. Levy, you had said your firm performs audits for publicly-owned companies. What changes have you had to make in your firm?

Levy: We haven't had to make too many changes yet, but there's a lot still on the horizon. We've also had a couple of changes in auditing standards that were

Clients are going to turn to their CPAs with these new rules and say, "How does this affect me? How do we make sure we're in compliance?"

not driven by Sarbanes-Oxley, such as a new fraud standard. This involved very few changes for us, because we were already doing what the standard required. Basically, it requires us to really stay tuned to the very rapidly developing changes in regulations coming down from a variety of sources, including the Public Companies Accounting Oversight Board, PCAOB – which was created by Sarbanes-Oxley – and the SEC. So it's a matter of keeping your eye out for those new requirements and making sure you're ready to comply by their effective dates, which are all different.

Foley: There has been some talk about Sarbanes-Oxley having trickle-down effects on private companies.

Johnson: I think what people are alluding to is the concern that we might have two different sets of standards. Are our state boards or state governments going to start adopting laws and regulations so we don't have two different standards? If so, it will cascade down to private companies, and that will affect us significantly. Typically, when we deal with a closely-held business or a family-owned business, we're helping them with a lot of consulting issues other than just an audit or some other type of test service. Under Sarbanes-Oxley, we might be prohibited from doing a lot of that. It will increase the cost to clients if they have to hire several service providers – one doing compliance work or audit work, and the others consulting with them on tax planning or information technology systems or accounting systems.

Patton: With small businesses, you don't get the same economies of scale. Large businesses may be able to bring in two separate firms – one to do the audit and one to do the other services – but small businesses don't have that same flexibility.

Johnson: Has Nevada tried to adopt laws and regulations similar to Sarbanes-Oxley?

Levy: Nevada tried to adopt one change in the requirements involving gaming licensees, but it ended up being applicable only to public companies, resulting in no impact beyond that of Sarbanes-Oxley. However, Nevada has a very long history of copying what California does. And in California, there have been a lot of bills proposed that would restrict the activities of independent auditors for private companies. They might also change the Board of Accountancy in order to get more public representation and not have it controlled by CPAs, which is part of the whole spirit of Sarbanes-Oxley – to take away some of the self-regulatory power CPAs have had for years. Many states have proposed changes similar to what is required by Sarbanes-Oxley, but I haven't seen any state going the full route and trying to adopt everything. It seems very likely the Auditing Standards Board will go out of business, and the standards intended to apply only to public companies will then be applied to everybody. That will cause auditors to do more work and spend more time, and audits will cost more money.

Chavez: The reason some of that's going to come into play is because public companies are going to have accounting issues when they try to merge with private companies. I have read that a merger that would ordinarily take a week is now taking up to two or three months for the due-diligence stage. They have to really check the accounting, because when they're merging those numbers into their financial statements, they have to make sure they're correct.

Levy: They have to upgrade the auditing too, because if the auditing doesn't comply with the standards that apply to public companies, auditors may have to supplement an old audit with new procedures. If the standards for private-company audits are not elevated to the new level of public-company audits, there will be a substantial litigation risk in defending a private-company audit. A plaintiff's attorney will look at the two sets of standards and say, "This standard is out here – why didn't you do this procedure?" You could have a very difficult time defending your choice to ignore a standard merely because, technically, it doesn't apply to private companies. So it might be wise for auditors, particularly in high-risk situations, to apply the standards anyway.

Patton: Boards of directors with private

companies may look at what boards for public companies are required to do and adopt some of the policies, simply to eliminate the potential for some kind of accusation of misdoing or negligence. It could also act as a protective measure in case of lawsuits, along the same lines you're talking about.

Hall: A big part of Sarbanes-Oxley is internal control. Many privately-owned companies have only one or two people running them. How can they create the controls big companies can?

Chavez: Cost/benefit could be out. Anytime you implement a control, you weigh the cost versus the benefit it's going to provide. That may just be out now – you'll need to do it because it's the law.

Levy: In everything that comes out about internal controls and separation of duties, they talk about being practical and tailoring your system to the circumstances. They imply a small company doesn't have to have the same controls as a big company, but when you get past that self-serving language designed to protect the standard-setter, you find it very difficult to find anything to enable you to escape any of the specific requirements.

Foley: Do you think these new rules and regulations will change the relationship you have with your clients? It seems like you might have to be a little more suspicious of their motives, or need to dig a little deeper to see if they are attempting some kind of fraud.

Wells: If we go through the process of adequately explaining to our clients, we don't think it's going to hurt a good relationship just because of something we've been asked to do by the profession.

Peters: I would think it probably could help strengthen the relationship you have with your client. Clients are going to turn to their CPAs with these new rules and say, "How does this affect me? How do we make sure we're in compliance?"

Patton: Most businesses people, if they've been around any length of time, have a reasonably decent degree of integrity, so it's really a communication issue. Good businessmen don't have a major problem with you looking into their business, and if you find some kind of a challenge, they don't have a problem correcting it. In fact, if you do find the challenge, that's part of the reason you're there – you can

Every time we see a headline about an accounting firm getting in trouble for failing to do what it was supposed to do, we lose potential people.

strengthen that business and strengthen those controls and provide some benefit.

Chavez: But then you have the entrepreneur who doesn't want any control. Once management is established and the business is going under a management form instead of an entrepreneurial form, it's easier, but in the entrepreneurial stage, it's challenging sometimes getting them to follow any type of control.

Levy: The notion that you referred to, Kathleen, of doubting or challenging what your client tells you is called professional skepticism. It has always been a benchmark of the auditing profession from its very beginning. But we have had a trend in the past 20 or 30 years of auditors providing more and more services to their clients that they can bill for, and it's now gotten to a point where somebody's saying, "Halt. It's too much. You're in bed with your clients too much, you're auditing your own work, and it has to stop." And so now the gap between providing independent audit services and providing all these other business advisory services is widening, and it is now very wide in the public environment. It is not so wide in the non-public environment except for government, but it is likely to get narrower, and that is a fact of life that is necessary to protect the value of the attest function.

Foley: The next thing on the agenda is changes to the state tax system. What about the new payroll tax?

Chavez: What a mess. I tried to read that bill, and I couldn't get through the first five pages of it without saying, "What?" I had it spread out all over a table, and it was a challenge. I've heard the Legislature may get back together next month, so that may clarify some things. I don't think we've seen the full effect yet, because we haven't done the returns.

Patton: The public hasn't recognized the impact of some of it, like the real estate tax. The impact of some of those taxes

are still pending.

Anderson: You get an organization that is arguably a lending institution subject to the tax of 2 percent, but they use an employee leasing company that pays all their employees. So are they taxed at 0.7 percent or at 2 percent? Unfortunately, when these guys were putting this together at 4:00 in the morning, they weren't thinking of all these various real-world elements, and so it creates a lot of uncertainty.

Wells: It's going to take a while to sort this out, but it's obvious it's going to cost businesses more money.

Foley: What about staffing and recruitment challenges? How do you make your profession attractive to people who are choosing a major in college, and how do you keep the employees you already have?

Chavez: We are recruiting people into our profession a little bit faster than we were a couple years ago. I sit on the Accounting Alumni Board for UNLV, and the dean recently told me the enrollment is up significantly, and it's continuing to go up. They are actually short of professors now.

Levy: Every time we see a headline about an accounting firm getting in trouble for failing to do what it was supposed to do, we lose potential people. [The American Institute of CPAs] is saying, "Look what we did for the profession since we bottomed out after Enron and the Arthur Anderson thing – rah, rah," and then the next day there's a big article in the *Wall Street Journal* about how three of the Big Four firms have been accused of over-billing their clients. With all that's been said about recruiting, I don't know anybody in auditing who would encourage his kid to join this profession, and that's a sad statement.

Wells: People considering going into the field have to consider some new things. Yes, there's clearly more risk in being a CPA than there used to be. Look what happened to the individual partners in Arthur Andersen. Additionally, more stringent requirements and more hours are needed to become a Certified Public Accountant than there used to be. Then there's the image issue, which may or may not remain. In the future, there will be fewer people of top-notch quality going into accounting. Recruiting will be much more of a challenge, and it will drive salaries up. Our firm is starting to do

Continued on Page 32



by **Kim Becker**

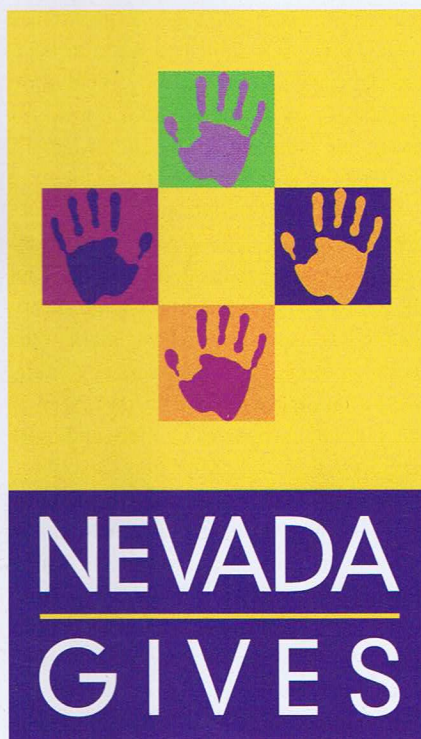
The Business Community Investment Council (BCIC) is a coalition of businesses led by volunteers committed to enhancing the effectiveness of business philanthropy in Southern Nevada. It promotes the open discussion of philanthropic solutions by bringing businesses and service providers together, teaching others the benefits of giving and helping to maximize resources to make Southern Nevada a better place to live.

BCIC was established in 1998 by Robyn Clayton, manager of consumer and community affairs for Southwest Gas Corporation. "When I returned to Las Vegas after working out of market, I realized that I was out of touch. I needed a network of other corporate business givers, but there wasn't one," said Clayton. "So I borrowed ideas from networks in other cities and decided to see if I could create one here – a network of giving where people could improve the quality of life in our community. I think four people showed up to our first meeting."

Today, some five years and 60 members later, Clayton's network is making an impact. Members share a core philosophy that businesses and individuals have a responsibility to give back to the community. It demonstrates social responsibility, community support and leading by example.

"The old adage that sometimes you get back more than you give definitely applies in the area of business giving. From customers who will specifically seek your services because you are associated with a good cause, to employees who have a greater sense of satisfaction working for a company that cares, the benefits are truly numerous," said Gina Polovina, vice president of government and community

Business Community Investment Council- *Businesses Working For a Better Community*



affairs at Boyd Gaming Corporation and chair of BCIC. "Giving programs also connect a company to its community, and the company learns more about where the needs are by dealing directly with charities. In a community of over 1.6 million, there is much existing need and a lot of work to be done to help address these gaps. But, at the end of the day, the most rewarding thing about having a business-giving program is that at least one person benefited from that company's caring."

BCIC's diverse membership is a testament to the fact that companies of all sizes in virtually every industry can benefit from a business-giving program. Members include representatives from sole proprietorships and mid-sized firms, as well as some of Southern Nevada's most

recognized corporations. "From the biggest employer to the smallest, members are able to share information in an unfettered environment, helping to elicit ideas that can bring about positive change in our community," said Polovina.

One way BCIC is already bringing about positive change is through its first initiative, Nevada Gives, a cooperative effort between the public, private and non-profit sectors. Nevada Gives is a 3-year grant awarded to BCIC and the Nevada Community Foundation (of which BCIC is a fund) from New Ventures in Philanthropy, an organization based in Washington, D.C. The purpose of the grant is to help businesses and community leaders build, expand and sustain giving initiatives that will improve overall giving in Southern Nevada.

One of the most successful programs offered under the BCIC/Nevada Gives banner is Return On Investment: A Philanthropy Summit. The second annual summit, held last October, successfully attracted an estimated 200 community leaders to discuss a variety of philanthropic topics.

In the first quarter of 2004, BCIC will turn its attention toward developing formalized plans to help shape Nevada Gives into what Polovina hopes will be a permanent entity within Southern Nevada. "It is a community-wide project, and we welcome those who are interested to join us in our efforts," she said.

For additional information
about BCIC,
call 702-391-BCIC (2242),
e-mail: info@nevadagives.org,
or visit nevadagives.org.



PREVIEW LAS VEGAS

2004

To survive in business, you need
information.

To succeed in business, you need
information about the future.

It's business. It's next.

It's Business**Next** - **Preview Las Vegas.**

Hear local and national experts predict the future of business. Learn the strategies and information you'll need to compete for business in 2004 and beyond. Network with top executives.

Discover what's next for business in Las Vegas
at Preview Las Vegas.

Business **Next**

Platinum sponsors:



REVIEW-JOURNAL



PREVIEW LAS VEGAS

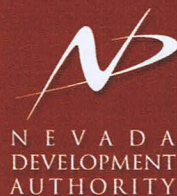
Thursday, January 29, 2004

7:00 a.m. - 1:30 p.m.

Cox Pavilion at the

Thomas & Mack Center

www.previewlasvegas.com



Gold sponsors: as of 12/04/2003

Accountants, Inc. • American Family Insurance • The Art Institute of Las Vegas
Bank West of Nevada • Chavez & Koch • Colonial Bank • Community Bank of Nevada
Harmon & Davies, P.C. • Health Plan of Nevada • J.A. Tiberti Construction Co. • Janeva Corp.
KNEWS Radio/KNUU Radio • Las Vegas Business Press • McCandless Int'l Trucks, Inc.
Nevada State Bank • The Penta Building Group • SouthwestUSA Bank
St. Rose Dominican Hospital • Sunrise Hospital & Medical Center • Sun West Bank
The Valley Health System

Wellness Is Serious Business

Nevada Companies Invest in Healthy Employees

BY RUTH FURMAN



IGT's Reno headquarters has made space for an on-site fitness facility. Management feels a healthy and happy workforce is more productive, and IGT offers competitive incentives and prizes to challenge employees to meet fitness goals.

The value of corporate health and wellness initiatives is difficult to quantify, but impossible to ignore. Dr. Joseph Bailey of Rainbow Medical Centers in Las Vegas noted, "Not only is it the right thing to do, but for frankly economic reasons, it's in the best interests of companies to be sure they have healthy employees. Insurers look at this as an investment in employees and in the company's bottom line." Rainbow Medical Centers offers a Health at Work program that addresses such key topics as stress management, nutrition and exercise, depression, maintaining a healthy heart, managing diabetes, cancer, safety, preventive health tips, managing chronic pain, smoking cessation and working with arthritis.

Nearly one quarter of adult Americans are obese and many others have health problems. To corporations and small businesses alike, these alarming numbers often translate to rising healthcare costs. The obvious benefits to being at a healthy weight and in good cardiovascular health are numerous and include decreased hypertension, lower blood sugar and a decreased risk of cancer, among many others.

Nevada companies provide a diverse array of health and wellness-related benefits for team members. Some have onsite fitness centers while others offer employees discounted memberships to local health clubs. Corporate health-and-wellness programs include weight loss support, smoking cessation and a range of tools to promote employee activity.

Darcy Neighbors, president of Consultants in Marketing and CAPRI in Las

Vegas, oversees a staff of 13. She frequently makes health-and-wellness opportunities available to her employees, such as massage treatments, flu shots and breast cancer screening education. She also encourages her team to work out on a regular basis and eat healthful foods. "I take their well-being very seriously and offer as many tools as I can," said Neighbors, who rises at 5 a.m. daily to exercise in her home gym.

In some cases, hard numbers illustrate unhealthy habits. Diane Carlson is chair of the Henderson-based IDC, which does fundraising for organizations. Carlson noticed not long ago that her company was spending \$32,000 per year on cookies. Even for a large company that frequently hosts client meetings on-site, Carlson said, "That's a lot of cookies." Now client lunches on-site incorporate salads and fruit. Visiting clients appreciate the healthful choices, as do employees. A cancer scare motivated Carlson to further expand already strong health-and-wellness benefits she offered to her 350 employees. "As an employer, I feel a huge responsibility to keep quality healthcare and health benefits for my staff," Carlson said. Her company works with health clubs such as Club Sport in Green Valley and 24-Hour Fitness to offer employees discounted rates on memberships. It also partners with area clubs to offer health and fitness workshops.

Bret Fitzgerald, vice president of corporate communications for Las Vegas Athletic Clubs, said the biggest trend he is seeing is that people are starting exercise programs to improve their health – not

merely to look good. Fitzgerald advocates a program that combines cardiovascular fitness, muscle strength/conditioning, flexibility and core fitness in addition to a healthy diet.

Martha Schimmel, a personal trainer and assistant aerobic director at Reno's Sports West Athletic Club, has noticed that more executives are taking fitness seriously than ever before. "We like to encourage our members to develop a lifestyle program that they can live with and work with," she stated. "Many of my clients are in their 30s, 40s and 50s, and they are making fitness a part of their healthy lifestyle. I find very driven people need variety, including cardio and strength training as well as pilates and stretching."

One executive who thrives upon variety is Dan Poggione, a developer for RMC Development in Reno. He golfs with others in the real estate and investor community at Thunder Canyon Golf Club and enjoys tennis and squash at Caughlin Club. He also skis, enjoys snow-shoeing and goes chukkar hunting, which provides a great workout, including hiking in the steeper mountains of Northern Nevada. Poggione periodically lunches with friends, but prefers business networking meetings tied in with fitness endeavors.

Stephanie Shirit, CEO of Resource Associates, a Las Vegas-based executive recruiting and staff augmentation company, participates in group training with a personal trainer at a private gym in Las Vegas. Group training is a growing trend, and the business owner said she enjoys the camaraderie of the group environment and the resulting social and networking opportunities the training provides.

Aristocrat Technologies is planning to implement an employee fitness center at its Las Vegas office to provide employees with the convenience of an onsite exercise facility. "Our employee fitness facility, along with discounted gym memberships, augments our comprehensive health benefits package and reflects Aristocrat's commitment to promoting health and wellness for all employees," said Jennifer Martinez, the firm's vice president, human resources.

Offering health-and-wellness benefits to employees positively impacts employee loyalty, said Jeff Crozier, health

services supervisor for another company in the gaming industry, IGT. Crozier, who works in IGT's Reno office, said, "Employees tell me one reason they stay with our company is because of the benefit we offer with the on-site fitness facility. Our management team also feels that a healthy and happy workforce is more productive."

Health clubs abound, with new ones opening constantly throughout the state. New clubs provide additional opportunities for busy executives to exercise close to their homes and offices. For example, Holly Lobelson Silvestri, president of Impress Communications in Las Vegas, is considering partnering up with a new health club that opened near her office to make memberships available to her team of five employees.


Many team members at the Golden Nugget Laughlin have benefited from the company-wide wellness initiative, which includes gym memberships to Bullhead Health Club, Weight Watchers courses, smoking cessation programs and the "Golden Challenge". The Golden Nugget Laughlin's health-and-wellness program

was spearheaded by Andre Carrier, chief operating officer, and Sue Winchester, HR director. Not only does the Golden Nugget Laughlin offer Weight Watchers courses at the casino, but the company even offers Weight Watchers cuisine in its employee dining room, making unhealthful options less prevalent. The company's comprehensive wellness program challenges employees who diet, exercise, stop smoking and live a healthy life by offering significant prizes to top performers. "It's amazing what happens when you take people and turn them into wellness coaches for one another," marveled Carrier. The Golden Nugget Laughlin's partnership with Bullhead Health Club even includes health coaches for its team members.

Regional Transportation Commission of Southern Nevada (RTC) employees can work out in the Clark County wellness center for a nominal charge per month (deducted from their paycheck) and are eligible to win prizes if they walk, bike, carpool or take the bus to work. Jacob Snow, general manager of the RTC, rides his bike to work frequently. "The motion of the bike and the

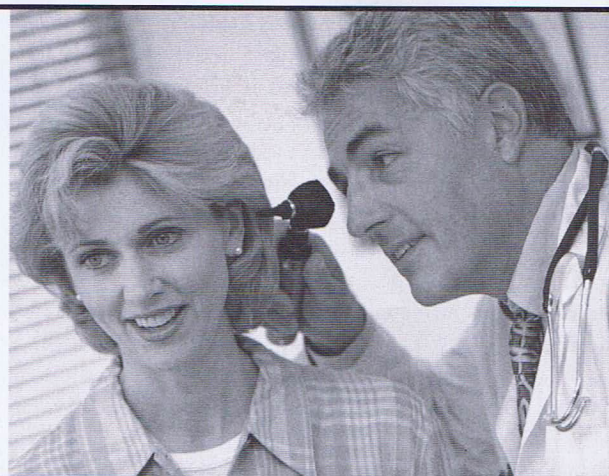
exercise benefits my thought process," Snow said. "I can process my day and get my endorphins going." The RTC has a shower and locker room facility for the convenience of its employees who choose to ride to work.

Kimberly Simon, vice president of CinemaRide and director of operations for Tickets2Nite in Las Vegas, enjoys working with team members to help them set up their own fitness programs and workout regimens. Simon frequently works 12-hour days. Still, she juggles her career, time with her spouse and exercise time. "Exercise helps me function and keeps my energy level up," she said. Liz Younger of the Reno-based Elizabeth Younger Agency, who exercises during her lunch hour with a personal trainer at a club near her office, concurs. Younger added that the strength training she does helps her in equestrian events she enjoys.

Since payroll and health insurance costs consume such a large part of each company's payroll, a healthy workforce is proving to be a worthwhile investment for Nevada employers. 

Feeling Better

...begins at Rainbow Medical Centers with a smile, warm greeting and a family doctor that cares about your health. We understand when you're not feeling well, a friendly smile and courteous service goes a long way. Our seven Las Vegas locations feature the latest in medical services including on-site lab and x-ray for your convenience. Our physicians are all board certified, friendly and up-to-date on the latest in healthcare protocols.



RAINBOW
Medical Centers

Walk-ins Welcome
Most Insurances Accepted
Extended Hours

**PRIMARY &
URGENT CARE**

WEST 255-6657
1341 S. Rainbow Blvd.
Las Vegas, NV 89146

EAST 438-4003
821 N. Nellis Blvd.
Las Vegas, NV 89110

NORTH 655-0550
4920 Lone Mtn. Rd.
Las Vegas, NV 89130

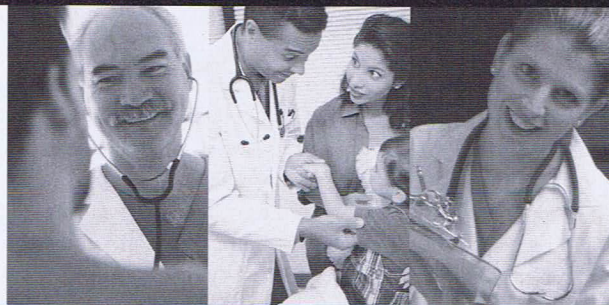
RAMPART 254-9192
8522 Del Webb Blvd.
Las Vegas, NV 89134

GALLERIA 436-5800
1397 Galleria Dr.
Henderson, NV 89014

GOLDEN TRIANGLE 657-9555
1302 W. Craig Rd.
N. Las Vegas, NV 89031

BOULDER HWY 898-1405
4241 S. Nellis Blvd.
Las Vegas, NV 89121

You can start feeling better on the way to
Rainbow Medical Centers. We'll take care of the rest.



So You Want To Do A Deal...

A CHECKLIST FOR BUSINESS OWNERS



BY NEAL A. KLEGERMAN

Notwithstanding the slower economy and weak venture capital and stock markets, Nevada is loaded with highly successful family-owned businesses approaching critical decision points. These decision points may arise from shifts in management or ownership to the next generation, retirement, need for capital to expand or remain competitive, or desire to diversify the family assets by cashing in all or part of the ownership, among numerous other possibilities. Many of these business owners have worked with legal and tax advisers to plan their estates.

While this is important, far fewer seem to have taken steps to prepare their businesses for a possible corporate transaction – whether a sale, merger, private financing, initial public offering, or even a major debt financing. Even if these possibilities seem remote today, a few steps today can save much time and money in the future.

Whatever your business, an astute buyer or financing source will be looking at many of the same items. While the emphasis will change depending on the nature of your business, much will be the same. While a buyer of a computer software company will be looking at intellectual property and a buyer of an apartment complex will be looking at real property, they both usually will want to be sure who really owns the asset and how much it has earned the owners in the past. With this in mind, the following is short list of topics for business owners to think about, with the importance varying depending on the particular business.

Who owns the company?

This is not a trick question. Most businesses are held by a legal entity, be it a corporation, limited liability company, partnership or other. How are the ownership records? This is generally an area in which perfection or near-perfection typi-

cally is required. Buyers, underwriters, or other financing sources are willing to take risks, but rarely on who owns what they are buying. There should be a clear and concise ledger of all owners and the number of shares or other units of their equity, who they acquired the shares from, and records of the circumstances of sales or other transfers. Is it clearly documented that the transactions were exempt from registration under both federal and state securities laws as a private placement or otherwise? Were all required filings made?

There are also more subtle issues which can arise. If there are agreements or even letters or other proof that shares were offered to anybody, this can cause a problem. A large corporate transaction can attract people even from the distant past who may make a claim to part-ownership if they see there is a chance at getting part of the money. Stock options or other employee stock plans need to be well documented. Careful records of grants, exercises, terminations and other transactions need to be maintained. Even if a former employee or former partner has only a very marginal claim, under the pressure of trying to complete a transaction, many business owners will pay at least a nuisance-value settlement to avoid risking the deal. What may be cheap or even free to fix today, may be costly when you are trying to do your once-in-a-lifetime corporate deal.

Does the company own its assets?

Again, not a trick question. Many issues can arise which can spook a buyer or investor. As noted above, buyers of software or other information-technology companies are typically very interested in whether they can commercially exploit the intellectual property free of risk of infringing rights held by others. Similarly,

they will want to know whether they can stop others from using the rights they are looking to acquire.

A detailed analysis of the comparative efficacies of trade secrets, copyrights, patents and other devices to document and secure ownership of information technology is beyond the scope of this article, but the question to ponder is whether you have thought about it. If intellectual property is a key component of the value of your business, this is a topic you should address with an expert. Even if you developed all your intellectual property without assistance, do you have the records to confirm that? If your products or services incorporate or use computer software or other intellectual property of other persons, do you have adequate licenses that cover both the scope and level of your use, and are the licenses current and paid up?

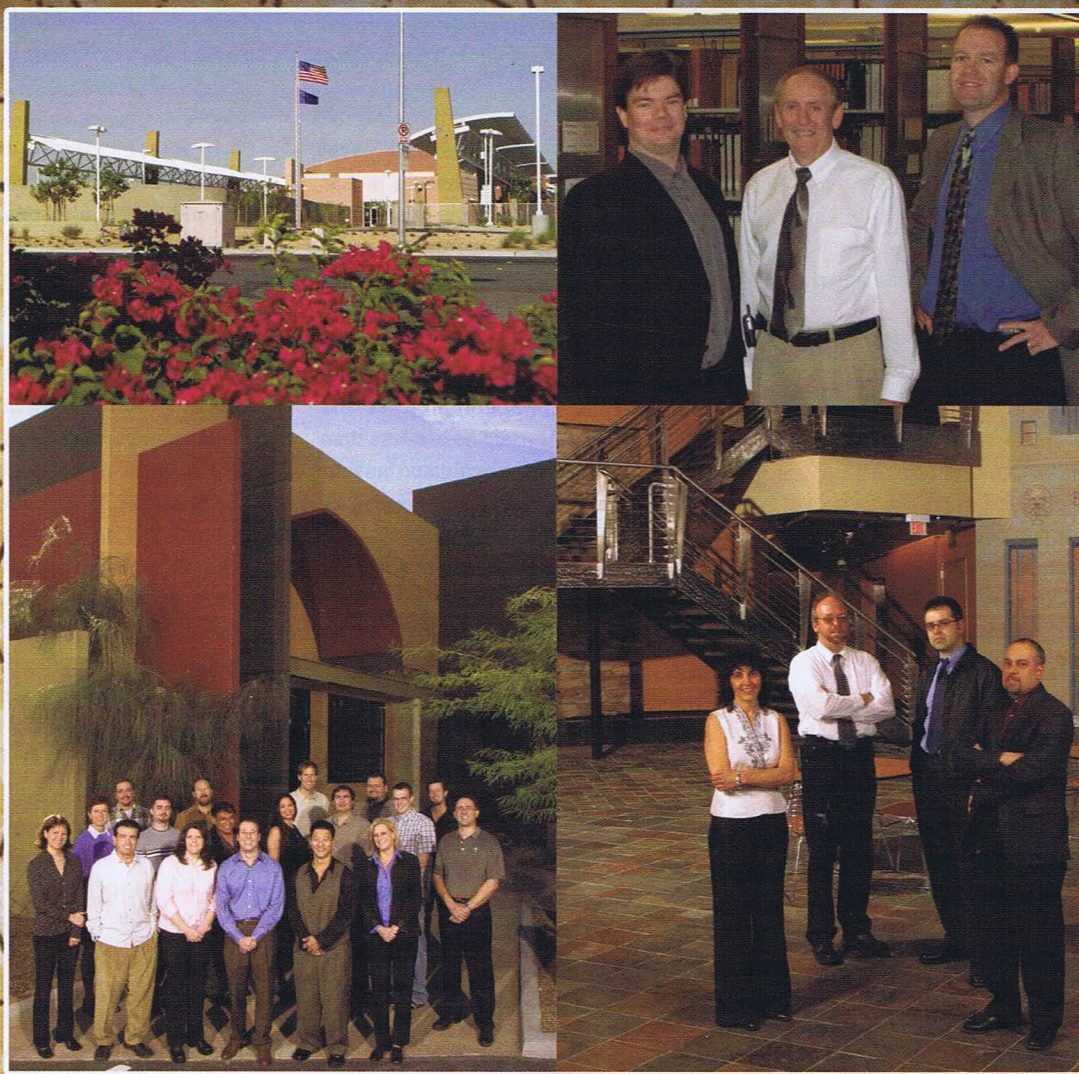
Recurring issues involve the rights of employees or consultants who develop intellectual property. They should enter carefully prepared work-for-hire, confidentiality, and related agreements to ensure they have no rights to the intellectual property. If they are paid for their services, then you do not want to have to pay them again to sign the right papers in order to get your corporate deal done.

Even if your company is not intellectual-property intensive, you may have names that are valuable to your business. Have you made the appropriate tradename, trademark and servicemark filings with the appropriate federal and state agencies?

Hard assets, whether personal property or real property, may involve less intellectually challenging issues, but may nonetheless raise problems which could affect your ability to do your corporate deal. If equipment is a key component of the value of your deal, do you have the papers to establish ownership, such as a bill

Continued on Page 38

Building Nevada



NEVADA'S BEST-DESIGNED BUILDINGS AIA Awards Excellence

These projects won Citation awards from the Nevada chapter of the American Institute of Architects (clockwise from top left): South Strip Transfer Terminal (KGA Architecture); Clark County Prototype Middle School (Welles Pugsley Architects); R&R Partners (Lucchesi Galati Architects); M.J. Dean Office Complex (Youngblood, Wucherer, Sparer Architects).

CARTER & BURGESS Designing Nevada North and South

COMMERCIAL REAL ESTATE REPORT: Retail Market

Nevada's Best-Designed Buildings

AIA AWARDS EXCELLENCE

BY CAROL PATTON

Each year, the Nevada chapter of the American Institute of Architects (AIA) sponsors its Excellence in Design awards program, which honors architects throughout the state for their creative projects. This year, the three jurors had a hard time selecting winners among the 65 entries. Instead of recognizing the usual eight to 12 projects, they handed out 15 honor, merit and citation awards.

"The jurors felt there's an abundance of exciting and good work going on here in Nevada," explained Randy Lavigne, execu-

tive director of the AIA Nevada in Las Vegas, which promotes better-built environments. "They gave out more awards this year than jurors normally do, because they felt more work had to be recognized."

Submissions were received in five different categories: student, urban design, interior environment, built projects and unbuilt projects. All projects are less than five years old and were evaluated in four areas: comprehensive design; regional response, or how well they relate to their surroundings; environmental response, or

how they promote environmental awareness; and program response, or how they respond to the user's needs.

The annual awards program was introduced in 1948 and 1956 when the Reno and Las Vegas chapters of the AIA were formed, respectively. Lavigne says the program promotes innovative project design throughout the state and generates camaraderie among the association's 600 members.

"People take for granted their built environment," she said. "It can really inspire and elevate people's thinking and has an enormous impact on how our communities function." Here's a snapshot of various projects that were recognized for their design excellence by receiving Citation Awards.

THE ART OF PLAY

Citation Award, Built Category

M.J. Dean Office Complex

Youngblood, Wucherer, Sparer Architects

Jon Sparer spent a weekend developing the design concept for the M.J. Dean Office Complex. He actually built a model of it on his pool table at home one Sunday afternoon in May 2002. Completed in August, the two-building complex is located at 5005 W. Patrick Lane in southwest Las Vegas. Youngblood, Wucherer, Sparer Architects occupies one 9,000-square-foot building. The other 27,000-square-foot building houses several tenants, including M.J. Dean Construction, Inc., a professional construction services firm that owns the property.

Since the construction firm was responsive to new ideas, Sparer, a principal at the architectural firm, said he became "playful" and designed creative ways to use common building materials. The entrances of both buildings showcase

If Walls Could Talk, They'd Say HCE

That's because we're behind so many. Since 1984, we've provided the highest quality HVAC, plumbing and electrical design solutions for more than 3000 projects in the fastest growing metropolitan area in the country. Whatever your project — Public Works, Medical, Technology, Commercial, Hospitality, Educational, Industrial/Manufacturing — we can solve your mechanical and electrical design problems. Check out our hidden talents at www.harrisengineers.com

HARRIS, LLC
CONSULTING ENGINEERS
770 Pilot Road, Suite 1 • Las Vegas, Nevada 89119
Phone 702-269-1575 • Fax 702-269-1574

CENTRAL P. MECHANICAL

generous plazas, creating a courtyard effect. The exterior concrete panels range in size, intersect each other at different angles, come through exterior walls and are painted five different desert colors, creating a consistent look. Skylights are also featured throughout each building.

"This is different from other buildings we've designed, because there were no preconceived images and our client was very open to creating a new identity," Sparer said. "We really had a blank slate and went very contemporary."

AHEAD OF ITS CLASS

Citation Award, Unbuilt Category
Clark County Prototype Multi-Story
Middle School
Welles Pugsley Architects

The hardest part about creating a prototype of a middle school is that it must adapt to a variety of environments. That was the challenge faced by Welles Pugsley Architects, which is designing a prototype of a multi-story middle school for the Clark County School District, said Sean Coulter, director of design at the firm, which received a ci-

tation award for the project in the unbuilt category.

Unlike most middle schools, which are single story and sit on 20 acres, this one's footprint is half the size, making it attractive to school districts in tight urban spaces with growing populations. The district plans to replace its older schools with this new design.

The model consists of five buildings totaling more than 150,000 square feet. Key design elements include a partially sunken parking garage, classrooms and administrative offices on the ground level, a center courtyard on a half-level that sits five feet above the ground, and a second level housing the library and additional classrooms. Energy-saving light shafts also direct sunlight to the first level.

The anticipated completion date for the prototype, which is still being modified, is 2006. "It addresses environmental and sustainability issues, which were difficult to deal with," said Coulter. "Since we don't know what kind of site it will be built on, we need to make the design as adaptable as possible."

CHANGING SCENERY

Citation Award, Interior Environment

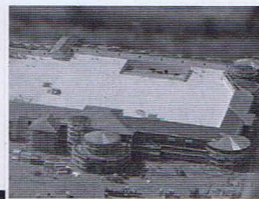
R&R Partners - Lucchesi Galati Architects

Lucchesi Galati Architects spent 18 months converting a 60,000-square-foot warehouse into an innovative workspace that offered everything from Main Street to Town Square. Since June 2002, the former warehouse, located at 900 S. Pavilion Center Dr. on the western edge of Las Vegas, has been the home of R&R Partners, Inc. The advertising and public relations firm wanted the building to reflect its culture of collaboration, creativity and fun, said Craig Galati, principal at the architectural firm.

The key to this project was learning about the client's culture. "We spent a lot of time understanding who they were, what their building should communicate and how to bring people from different departments to work more effectively," Galati explained.

The building features a multi-use space with a light bridge and adjacent kitchen that can be used for large group presentations, meetings and parties. Office cubicles surround the space and street signs

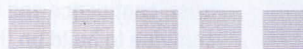
IT'S ABOUT PEOPLE.



Check out our web site at: pentabldgggroup.com

At PENTA, we're building more demanding projects in every market sector, every day – because we focus completely on client needs. We are relentless in our commitment to the most important member of our firm – You.

PENTA



The PENTA Building Group, Inc.

7251 Amigo Street, Suite 220 ■ Las Vegas, Nevada 89119 ■ 702.614.1678 ■ Fax 702.614.3851

HOSPITALITY - RETAIL - RESTAURANTS - COMMERCIAL - INDUSTRIAL

identify each department. Glass roll-up doors also lead from Town Square into an exterior courtyard. The upper mezzanine houses executive offices, featuring a waterfall behind the stairs.

"When you walk through that space, you very clearly know what the company's all about," said Galati. "There's always something exciting around the corner."

RAPID EFFICIENCY

Citation Award, Built Category

South Strip Transfer Terminal

KGA Architecture

The biggest challenge in designing the South Strip Transfer Terminal was to create a space where supervisors could clearly see all the 16 bus bays, said Craig Forrest, senior designer at KGA Architecture. The firm's client – RTC of Southern Nevada – also requested other features, such as shaded areas for buses and terminal exits that enabled buses to leave the facility without backing up. Likewise, the lobby's design had to bridge the gap between functionality and creativity.

The 15,000-square-foot project, locat-

ed at 6675 Gilespe St. just south of McCarran Airport, took roughly 10 months to design and was completed several months ago. Design solutions included placing canopies over each bus bay spanning 70 feet between two columns, as well as curving the west end of the building – where supervisors were housed – slightly east so they could see the bus bays. The open lobby also divides into smaller spaces. Instead of segregating a large seating area from other functions, seating is mixed with ticketing and a small food court.

According to jurors for the awards program, the design was "a very direct solution to a tough site problem." Now, added Forrest, people can conveniently make rapid transfers in a comfortable environment.

CONNECTING SPACES

Citation Award, Built Category


Las Vegas City Hall Expansion

KGA Architecture

When KGA Architecture held its kick-off meeting for the Las Vegas City Hall expansion project in 1999, more

than 70 people attended. By the time the project was completed in 2002, more than 100 city employees, contractors and funding agencies had provided input about the project. "We had all the staff together and were brainstorming the best way to make everybody happy," said James Lord, principal and director of design at KGA.

The project's main goal was to improve public access to City Hall, located at 400 Stewart Ave. in downtown Las Vegas. So the most critical piece of the expansion – which included designing a parking garage, TV studio, southern entrance to City Hall and an office building – was an elevated and enclosed air-conditioned walkway.

The walkway leads from the third floor of the parking garage to City Hall's administrative offices. As a result, people no longer hunt for parking spaces across the street and can avoid the hot desert sun. "City Hall was designed to be a stand-alone piece," Lord said. "We tried to respect the original design while adding to a project that's clearly changed scope in 30 years." 

Continuously Building.

Coldwell Banker Commercial ETN
– an Evolution of Excellence.



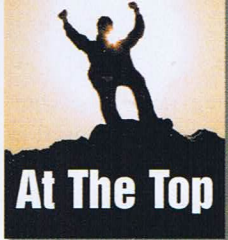
For Information Contact:
Vickie L. Lehr, CCIM, CPM®
Vice-President / General Manager
702-940-8805
vlehr@coldwellbankerlv.com

For nearly a century, our presence in the global real estate industry has provided us with more than exceptional market insight and experience. We have built a foundation of top-performing standards that has earned us the trust, confidence and business of a diverse blend of clients. Our affiliates continue to build on this reputation by offering clients sound advice, decision-driving guidance and specialized property solutions. That's what makes Coldwell Banker Commercial ETN Real Estate Services distinctly different.



Real Estate Services
www.coldwellbankercommercial.com

Each Office Is Independently Owned And Operated.



by Robyn Campbell-Ouchida

Carter & Burgess

Designing Nevada North and South

Carter & Burgess was established in 1939 as a two-man partnership providing civil engineering and landscape architecture services. Today, the company is a full-service, multi-discipline consulting firm with more than 2,300 employees across the nation. It is headquartered in Fort Worth, Texas and has two offices in Nevada, one in Las Vegas and the other in Carson City. There is also a related entity, C&B Nevada, Inc., which provides architecture services. Combined, the two Nevada offices have approximately 130 employees.

The company's core competencies are in the areas of architecture (C&B Nevada), engineering, management, planning and technology. By being able to provide expertise in these areas, Carter & Burgess and C&B Nevada are uniquely qualified to work on a variety of projects. "Because Carter & Burgess/C&B Nevada offers the combined resources of a full-service firm rather than just one or two specialties, it sets the company apart from many other local engineering and architecture firms," said Dennis Waibel, P.E. Along with holding the titles of senior vice president, Carter & Burgess and president of C&B Nevada, Inc., Waibel sits on the national board of directors for Carter & Burgess, Inc. – the only board member located outside the state of Texas.

The Northern Nevada project office is currently working on an interesting task awarded to them by the Nevada Department of Transportation (NDOT) – the V&T Railroad Extension Project. The railway, which was used in the 1860s to carry gold ore out of Virginia City for processing, is being revamped for future use as a tourist attraction.

The extension, an approximate retracing of the original route, includes the construction of a fill across the Overman Gold Mining Pit access road, realignment of access roads to both the Catholic and Masonic Cemeteries, realignment of several access roads that current-

ly use the V&T Railroad roadbed, and a parking area at the Masonic Cemetery. Necessary drainage facilities will also be designed and constructed. The design for the first segment of the project (from Gold Hill Depot to 1.3 miles south) is nearly complete. The V&T Railroad Commission is in the process of securing right-of-way and funding to complete this leg and design/construct future sections.

Among other projects in Northern Nevada, Carter & Burgess is also designing erosion control for Incline Village and designing a 16-acre bus transit facility for the city of South Lake Tahoe.

Carter & Burgess can also boast of some impressive ventures in Southern Nevada. The firm provided design services for the Las Vegas Monorail, a four-mile elevated dual-guideway automated transit system that will transport tourists and conventioners along the congested Las Vegas resort corridor. Carter & Burgess supplied engineering design services for the construction of approximately three miles of new dual guideway, five new passenger stations, a new operations, maintenance and storage facility, as well as renovations to the existing monorail guideway and stations.

Another project spearheaded by Carter & Burgess was the construction of Mandalay Bay Resort and Casino. From the initial field surveys to the fast-track civil design, the firm brought its consulting experience to the design of the hotel tower and a parking garage and a 45,000-square-foot central plant with chilled-water storage. Along with these services, Carter & Burgess prepared street lighting and traffic signal designs and on-site signage needs.

Carter & Burgess also worked on the 140,000-square-foot expansion of the *Las Vegas Review-Journal* headquarters, the Regional Transportation Commission's Integrated Bus Maintenance Facility and a consolidated rental car facility for McCarran International Airport. In addition, the firm recently completed a Policies and Procedures Manual for Roadway Design for the Nevada Department of Transportation (NDOT).

The firm is also involved with the construction of the I-215 Beltway. Clark County has selected them to perform construction staking services on the three miles between Decatur Boulevard and Buffalo Drive. "The Beltway has really changed the face of transportation here in Southern Nevada," said Waibel. "We're excited to be part of that transformation." 🌟



RETAIL MARKET – 3RD QUARTER 2003

TOTAL MARKET	LAS VEGAS	RENO
Total Square Feet	32,781,636	10,710,203
Vacant Square Feet	1,462,201	660,499
Percent Vacant	4.5%	6.20%
New Construction	843,450	—
Net Absorption	881,852	143,438
Average Lease SF/MO (NNN)	\$1.71	\$1.38
Under Construction	965,949	412,628
Planned Construction	3,346,256	2,000,000

POWER CENTERS

Total Square Feet	7,355,586	2,319,651
Vacant Square Feet	225,423	42,010
Percent Vacant	3.1%	1.80%
New Construction	0	—
Net Absorption	9,662	-2,465
Average Lease SF/MO (NNN)	\$1.42	\$1.53
Under Construction	355,489	240,528
Planned Construction	0	800,000

COMMUNITY CENTERS

Total Square Feet	14,117,389	1,616,698
Vacant Square Feet	672,844	159,600
Percent Vacant	4.8%	10.80%
New Construction	568,950	—
Net Absorption	644,343	-12,248
Average Lease SF/MO (NNN)	\$1.78	\$1.20
Under Construction	300,000	—
Planned Construction	1,076,543	275,000

NEIGHBORHOOD CENTERS

Total Square Feet	11,308,661	5,538,190
Vacant Square Feet	563,934	375,057
Percent Vacant	5.0%	13.90%
New Construction	274,500	—
Net Absorption	227,847	91,939
Average Lease SF/MO (NNN)	\$1.74	\$1.35
Under Construction	310,460	172,100
Planned Construction	2,269,713	925,000

FREE STANDING

Total Square Feet	—	1,235,664
Vacant Square Feet	—	83,832
Percent Vacant	—	6.80%
New Construction	—	66,212
Net Absorption	—	\$0.60
Average Lease SF/MO (NNN)	—	—
Under Construction	—	—
Planned Construction	—	—

Next Month: INDUSTRIAL

ABBREVIATION KEY

MGFS:	Modified Gross Full-Service
SF/MO:	Square Foot Per Month
NNN:	Net Net Net

LAS VEGAS STATISTICS COMPILED BY COLLIER'S INTERNATIONAL & RESTREPO CONSULTING

RENO STATISTICS COMPILED BY GRUBB & ELLIS NEVADA COMMERCIAL GROUP

Clark & Sullivan Builds Justice Facility

Construction is underway on a new \$23 million North Las Vegas Justice Facility, the largest capital improvement project in the history of the city. Clark & Sullivan Constructors, a Nevada-based general contracting firm, is the general contractor for the project, located at the corner of Civic Center Drive and Las Vegas Boulevard North. The two-story, 96,000-square-foot facility will be an energy-efficient, dual-purpose building, housing the municipal court as well as detention center operations. Completion is set for the fourth quarter of 2004.

Contractors Association Presents Awards

The Nevada Contractors Association, a non-profit trade group, has announced the winners of its fourth annual Contractor of the Year awards, recognizing excellence and leadership in the construction industry. M.J. Dean Construction took home the top honor as contractor of the year. The Las Vegas-based firm is finishing work on the new \$235 million Mandalay Bay tower and also built the 1.8 million-square-foot Mandalay Convention Center. The \$95 million Colosseum at Caesars Palace, built by Perini Building Company, won as building of the year; and the 3-mile widening of Ann Road, from U.S. 95 to Farrell Street, completed by Frehner Construction Company, won as heavy/civil project of the year. Other award recipients included: Wells Cargo Construction as subcontractor; Fairway Chevrolet as associate; Nevada Ready Mix as supplier; and McCarthy Building Cos. for safety.

Construction Begins On Longford Medical Center

Groundbreaking was held recently for the \$38 million Longford Medical Center, a four-story, 132,000-square-foot medical office building located off Summerlin Parkway and Buffalo in the fast-growing northwest area of Las Vegas. The developer is Las Vegas-based Longford Properties, developer of Longford Plaza in Las Vegas. The leasing broker, CB Richard Ellis Senior Vice President Randy Broadhead, pointed out that the facility will be the largest medical facility in Southern Nevada not attached to or affiliated with a hospital. The design-build project will be completed by a team composed of Martin-Harris Construction and PGAL Architecture. The center will include a 15,000-square-foot outpatient surgery center, a 7,000-square-foot imaging center, 2,500-square-foot retail space for a coffee shop, a pharmacy, and security on the first floor. The project is scheduled for completion by fall 2004.

Employee Housing Community Set for Primm

Primadonna Company L.L.C., owners of the border resorts at Primm, is developing a 24-acre residential community for its employees. The company will offer rental opportunities in the 437-unit housing complex, complete with a 10,000-square-foot community

center and swimming pool. The complex will include 72 studios, as well as larger apartments containing one to four bedrooms. Perlman Architects has completed architectural and interior design for the \$18.9 million Primm Valley Employee Housing project. Its scope of work includes all architectural services, design development, construction documents, interiors and furnishings and bid administration in phase one. General contractor is Las Vegas-based Bentar Development. Completion of the project is scheduled for July 2004.

PENTA Building Timeshare Project

The PENTA group is currently constructing The Grandview at Las Vegas, a timeshare project at the south end of the Las Vegas Strip. The \$45 million first phase will consist of 96 units. Once complete, the two 12-story buildings will feature a 20,000-square-foot sales center, a pool with waterfall, a fully-equipped workout center and a delicatessen. Eight additional towers are planned for the project. PENTA started work on The Grandview in July 2003 and is expected to complete the first tower in July 2004. PENTA recently completed another Las Vegas timeshare project, the 26-story Hilton Grand Vacations Club, located just northeast of the new Wynn Resort.



Firecreek Crossing Power Center Sold

Newport Beach-based development company Wattson Breevast, LLC has sold Firecreek Crossing, a 750,000-square-foot power center in Reno, for \$60 million, according to Tony Wattson, president of Wattson Breevast, the firm that developed the center seven years ago. Firecreek is home to some of the nation's leading retailers, including Wal-Mart, Safeway, Ross, Office Depot, Sam's Club, World Savings Bank, Michael's, Circuit City, Old Navy, Gart Sporting Goods, Boston Market, Applebee's, Aaron Brothers Art Mart, Babies R Us, TJ Maxx 'n More and Starbuck's. The center was purchased by San Diego-based development company American Assets Real Estate Group. This is the firm's first acquisition in the Reno market. Bill Palmer of CB Richard Ellis represented both parties in the transaction.

Rentals in the Round

Architects Design Car-Rental Facility

by Sharon Rorman

There are so many big construction projects in Las Vegas, one more hardly arouses attention. However, this one is different. Not only does it usher in a fresh concept to the traveling public, but the \$125 million project directly affects one of the most critical elements to the economic health of Southern Nevada – McCarran International Airport.

Following a burgeoning national trend, McCarran plans to consolidate all the rental car agencies currently servicing the airport into one huge central facility. "This will be like a terminal, but for rental cars," said John Sawdon, a partner in Swisher & Hall AIA, Ltd, the design architects for the project.

Being built on 64 acres just south of the airport, the McCarran Rent-A-Car Center will include a 114,000-square-foot customer service building, a 1.8 million-square-foot parking garage and three "Quick-Turn-Around" facilities totaling another 131,353 square feet, where cars will be washed, fueled, serviced and prepared for the next renter. Other features, such as an expansive entry plaza, canopied shuttle area and sandstone building materials, will work together to create a rental facility unlike any other in the West.

"At capacity, this center will be able to process 10,000 cars a day," said Sawdon, project manager of the new center. "We had to provide for safety, security and all aspects of bringing cars in, getting them serviced and back on line."

"This project represents many firsts," said Sawdon. Take fueling, for example. Instead of individual rental agency maintenance areas, the new project calls for one enormous staging area with a common fueling system that has 150,000 gallons of gas stored underground. "Imagine a gas station with 300 pumps," he said.

But the real story is how the project evolved, even before making it to the drawing board. The process of bringing a dozen rental car agencies to agree on a new concept was a monumental effort, involving seemingly endless negotiations. Understandably, the companies were all hesitant to discuss intimate details of their respective businesses. Achieving consensus on the design was a key challenge that took nearly a year. "We built an environment of shared benefit and cooperation," Sawdon said. "It took a lot of time, patience and tenacity to come together on a design that would serve them all equally well." The architects held many meetings, presented their vision and were attentive to each rental company, starting with the general concept, then working down to detailed procedures.


"We listened real hard to what their concerns were, and tried to respond to each and every obstacle," said Sawdon. "Over time, we were able to design a structure that accommodates all the agencies."

The Rent-A-Car Center's floorplan is elliptical in shape so all counters are visible from the main entry. "That way, no agency feels slighted," Sawdon said. "The car rental business is very competitive, and we had make sure each agency

had an equitable interest in the project."

The confusing stream of rental car agency shuttles at McCarran will be eliminated. When the new center is completed, travelers will get their luggage and then board a common bus, arriving at the rental center with a full array of agencies to choose from. Once their forms are completed, customers go out one of three portals to a garage where cars are waiting. "No customer has to travel more than 300 feet to get to his or her car," said Sawdon.

It is in the airport's interest to have car rental agencies thrive. The Department of Aviation's project team was led by: Randall Walker, airport director; Tina Quigley, director of planning and construction; Dennis Mewshaw, planning manager; Ernest Patton, construction manager; Tom Kordus, project manager; and Eberhard Babel, project manager for Bechtel, general contractor for the project.

Construction started January first and the facility is expected to open July 2006. The new Rent-A-Car Center will handle projected growth through the year 2012. "Almost all major airports have a similar facility in the planning stages," Sawdon said. "We think our consensus process will become the pattern rental agencies follow in other airports around the country." 

**GOT DIRT? Want To Sell It?
I GOT DIRT! Want to Buy it?**



Mark Anthony Rua
Office: 702-992-7535
Cell: 702-595-6244

Web Site: www.lvlandsales.com

Email: markarua@aol.com

a lot more regional recruiting at the top schools so we can continue to maintain the quality of the individuals we hire.

Peters: In Las Vegas, we have a lot of competition with the gaming world. It's hard to keep CPAs in public industry when they could earn so much being controllers of larger gaming companies.

Johnson: We used to tell people, "When you come to work for a CPA firm, you're going to work, work, work, and then you're going to work some more." We can't do that anymore. Now we have to say, "We're going to let you have more of a balance and a quality of life. We're going to pay you more and share more of the pie with you." We have to do that to keep people in.

Anderson: All of us baby boomers to some degree have the same issues our new hires do. We're trying to get this quality of life thing figured out – the balance of time for family and other pursuits versus just working to the nth degree. We can tell our new people, "We're 30 years older than you, and we're trying to make up for past mistakes. We want you to have a balanced life, because that helps you empathize

with clients and understand their concerns about running their businesses and raising their families." A lot of our clients are family-held businesses with multiple generations, so you're dealing with family issues as well as the business issues in succession. Our industry has a lot to offer people. They can get good grounding, and they can go in a lot of different directions once they get through this process with us. So I'm still optimistic.

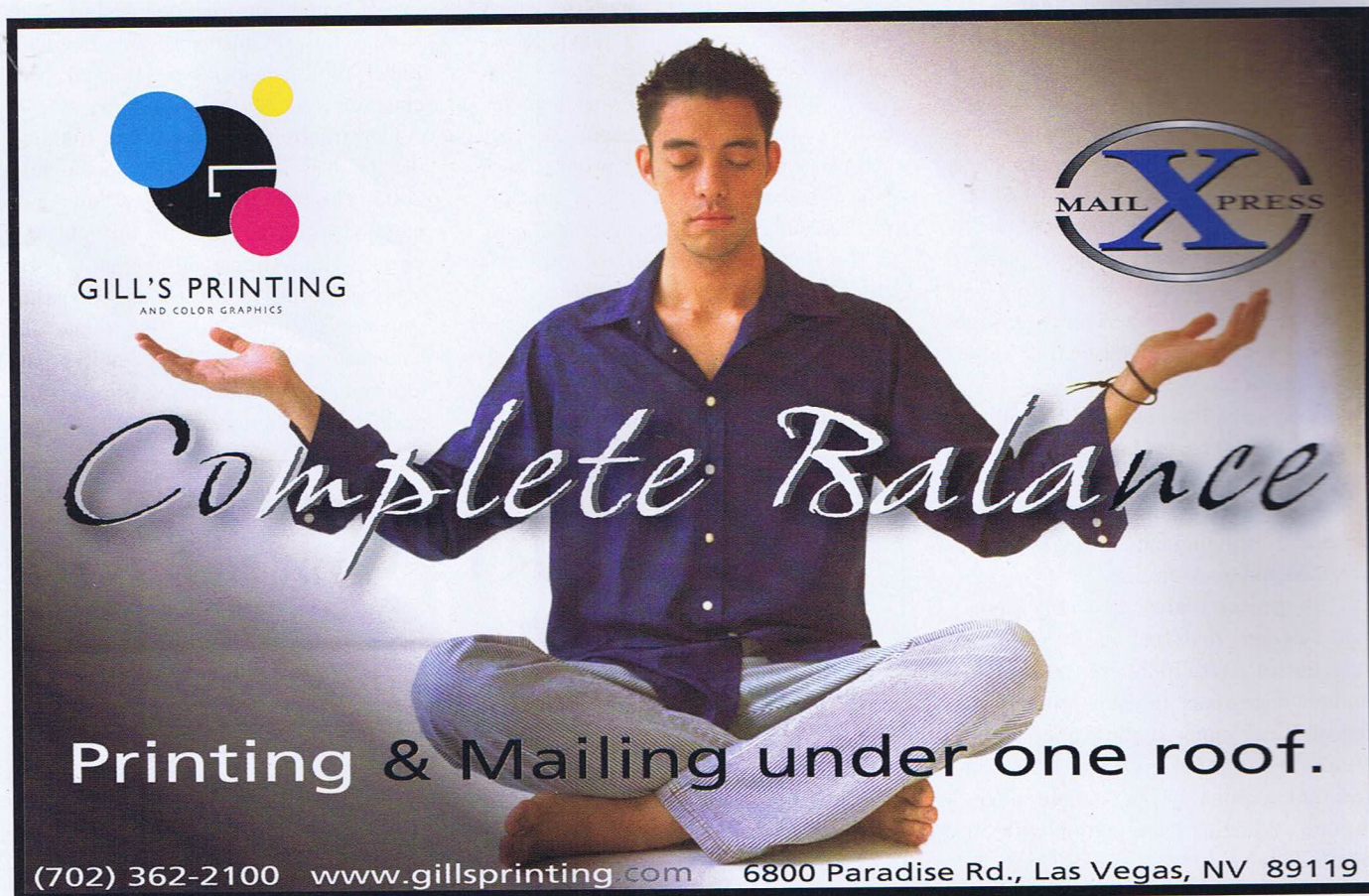
Levy: A big part of the problem in the auditing area is that we have tended over the last 40 or 50 years to attract the wrong kind of people, and they have a total misconception of what we do. They are what I call process-oriented people. They want to be given a checklist and check off boxes in order to accomplish an audit. But, your audit has to be a thinking process. We have to get more people in auditing who can think their way through an audit rather than a checklist. That's something that has to be addressed at the college level before people decide on a profession.

Patton: It's not unusual to hear, "My son is really great with numbers, so I'm steering him into accounting." Nothing could be

further from what we do. Yes, we deal with numbers, but it's really a people business, whether it's assessing risks or determining what a person is trying to accomplish or visualizing what's going on in their business. You need to communicate very intangible and complicated ideas to your clients. People skills are critical to being a good auditor, being a good business consultant or being a good tax person. We need to look for people who can deal with other people and communicate, as well as being critical and creative thinkers.

Chavez: Just like any service business, our business centers around communication. If we go back and look at problems and issues we have within our own firm, probably 90 percent of them center around communication.

Johnson: In our firm, we set up a committee of staff people and asked them, "What are your needs?" And we're trying to answer those. We have a training curriculum for the first five years – over 100 hours a year – because that's what they want. They want to be constantly learning. They want to feel like they own a piece of the firm, so we share financial information, and they



The advertisement features a man with dark hair, wearing a dark blue button-down shirt and light-colored striped pants, sitting in a lotus position with his eyes closed and hands resting on his knees in a mudra. The background is a soft, light-colored gradient. In the top left corner is the Gill's Printing logo, which consists of four overlapping circles in blue, black, yellow, and pink, with the text "GILL'S PRINTING AND COLOR GRAPHICS" below it. In the top right corner is the Mail X Press logo, which features a large blue 'X' inside a circle with the words "MAIL" and "PRESS" on either side. Across the middle of the image, the words "Complete Balance" are written in a large, elegant, white script font. At the bottom, the text "Printing & Mailing under one roof." is written in a bold, black, sans-serif font. Below this, the contact information is listed: "(702) 362-2100 www.gillsprinting.com 6800 Paradise Rd., Las Vegas, NV 89119".

GILL'S PRINTING
AND COLOR GRAPHICS

MAIL X PRESS

Complete Balance

Printing & Mailing under one roof.

(702) 362-2100 www.gillsprinting.com 6800 Paradise Rd., Las Vegas, NV 89119

get a percentage of the bottom-line profits. I'm not saying it's the right thing for everybody, but we've seen some good results from that. It's generating some excitement in the staff we recruit.

Foley: Is that your professional staff or your office staff?

Johnson: Everybody. From our receptionist up through partners, everybody gets the same information.

Chavez: We've started sharing revenue, and it's helped significantly. I think I got the idea from something that was said at last year's *NBJ* roundtable. It's improved our retention significantly. We base bonus structures on that too.

Anderson: I think we're all struggling with trying to run our practices as businesses, rather than professions in the classic sense. It's hard to go to your staff people and say, "You need to help our clients run their businesses" if they don't understand ours. They also need to understand how people in business are motivated, and how employees in our client organizations determine whether they are being properly compensated. That is difficult if we don't have some method of acquainting them with that same concept in our firms. We're pretty frank with our staff about what does and doesn't work, what revenues and profitability are.

Foley: Have you found that the people working for you want to be a little more entrepreneurial than they were in the past?

Anderson: Absolutely. I'm hoping every single person I hire has a little entrepreneurial spirit.

Hall: It goes back to what Howard said about needing thinkers. You have to have someone who can go out, think through the process, and be motivated to get the job done.

Levy: A lot of young people may choose smaller rather than larger firms because they perceive that opportunity to be part of the entrepreneurial team early in their career.

Hall: Our whole philosophy is to build from within. One of our big recruiting tools has been the ability to tell people, "If you want to become a partner, you have that opportunity here, and we'll help you do that."


Foley: When you're dealing with clients who have succession issues, you can give them advice. But, what kind of succession issues do CPA firms have?

Levy: You have to train younger people to

be leaders of your professional firm in order to have an orderly succession without losing a lot of clients, which can frequently happen after a sale of a practice.

Johnson: You make them feel they are a part of it, all the way along in their careers. And then don't create a disincentive for them when they become partners by making them face a huge buyout with the senior partner. That's one way we can really kid ourselves. We expect to get these huge buyouts from the value of our firms when we leave, but a young

partner with half a brain is going to say, "Wait a minute – why should I buy into that? I'm not going to take on that kind of liability."

Peters: In small or mid-sized firms, your clients are also interested in what your succession plans are, because they want to know that, when you hit retirement age, there will still be someone there they know and trust. They are looking to your successors to work with their successors, who may be their children, and just continue on. 



UNLIMITED HOLDINGS, INC.

"The Best Land in Las Vegas"

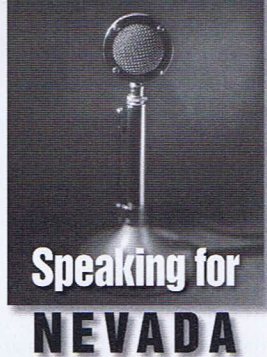
**CURRENTLY HOLDING OVER
1,000 ACRES OF PRIME COMMERCIAL AND
RESIDENTIAL REAL ESTATE**

As a leading land holdings company UHI has been acquiring prime beltway frontage and double section line property in the path of development for over 20- years with a primary focus in Las Vegas real estate and land investing.

President and CEO, David Sass, has the expertise and industry experience to guide you in all aspects of land purchasing.

Call 702.251.3411

For A Complete List of Prime Vacant Land
www.unlimitedholdings.com



by State Treasurer Brian K. Krolicki

Nevada's Millennium Scholarship Program

Facing Future Challenges

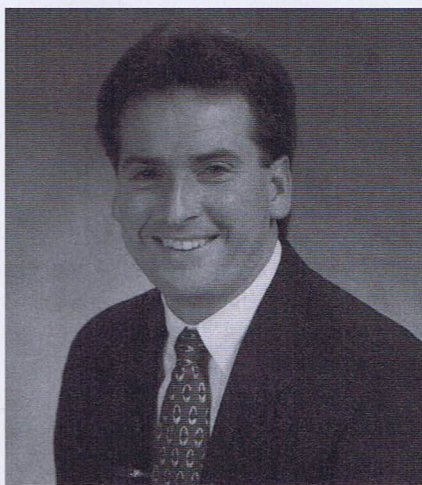
Editor's Note: Nevada Business Journal asked State Treasurer Brian Krolicki to answer the question: "What's ahead for the Millennium Scholarship program?"

In 2000, young Nevadans for the first time became eligible to receive a state-sponsored scholarship to attend an in-state college or university of their choice. The Millennium Scholarship Program gives the opportunity of higher education to hard-working students across our state. Since its inception three years ago, more than 15,000 Nevadans have utilized this scholarship to attend college.

As state treasurer, I administer this program, which is funded by 40 percent of the estimated \$1.2 billion in anticipated annual payments from the 1998 Tobacco Master Settlement Agreement (MSA). The intent is to increase the number of Nevada students who attend and graduate from Nevada institutions of higher education. Although some critics ask what happens if we educate Nevadans and they leave the state, I ask what happens if we don't educate them and they stay.

Some question using the monies for other than health-related purposes. I believe we are using the money for worthy causes that benefit the long-term future of our state. Sixty percent of MSA funds are used for health-related programs. The 40 percent being used to educate our young people will cultivate a local workforce in order to grow and diversify our economy with an enthusiastic and educated population.

One of my goals in the 2001 and 2003 sessions of the Nevada Legislature was to pass tobacco securitization legislation. This



would have allowed Nevada to transfer the risks of receiving future tobacco industry payments to investors willing to assume the risk, thereby preserving these monies, which fund not only the Millennium Scholarship program, but also other worthy programs like SeniorRx.

Nevada has used the monies for the future benefit of its citizens. However, many states have securitized their tobacco payments to balance budget deficits. To ensure that our Legislature would not be tempted to do that, in 2003 I proposed a constitutional amendment that would preserve our tobacco settlement monies for use by the programs for which the funds were intended. I feel strongly that the money should be preserved in an endowment so these programs may last into perpetuity.

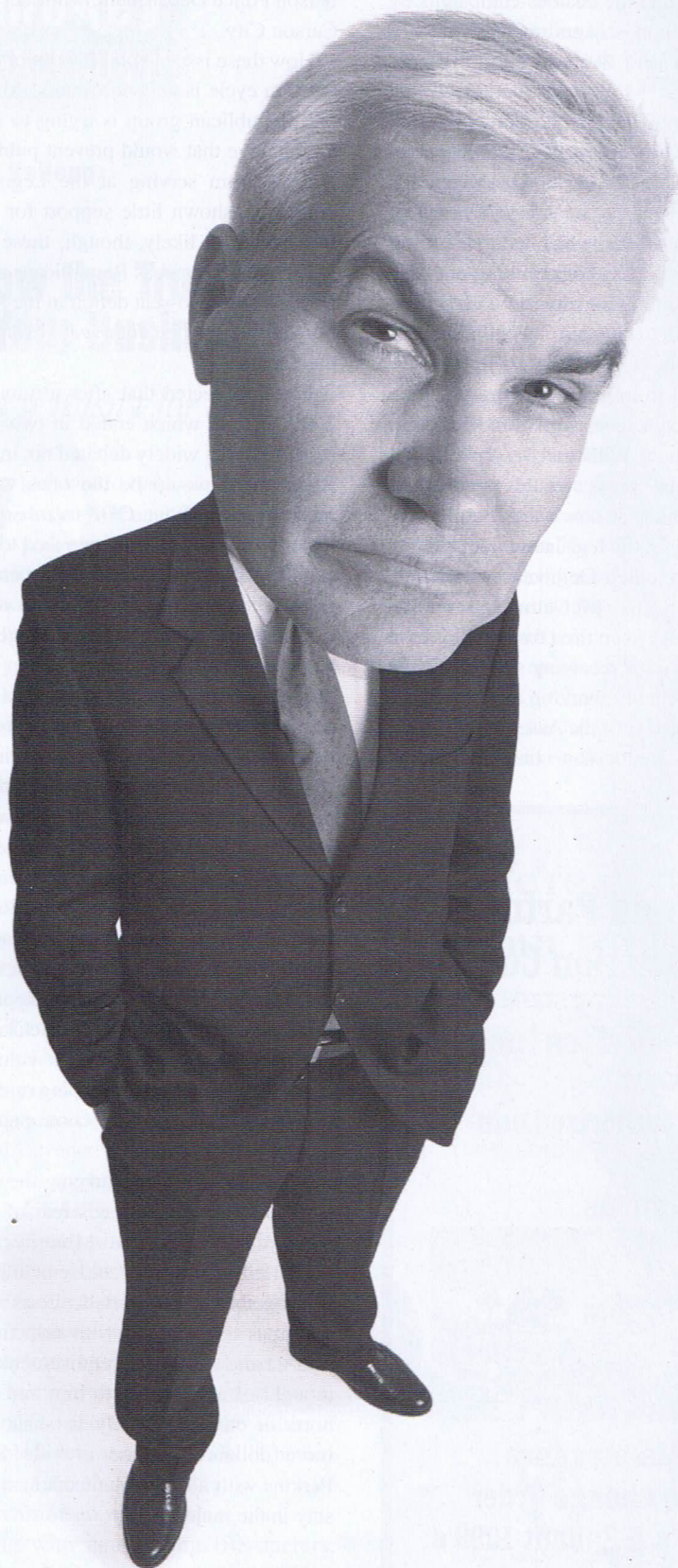
My belief in securitization was bolstered during the legislative session. Earlier this year, tobacco giant Philip Morris, reacting to a single adverse judgment against it in another state, hinted that it might have to declare bankruptcy. Here in Nevada, we watched with rapt attention, because Philip Morris accounts for half the monies we receive from the MSA. If it had failed to pay its next installment, which was due within weeks of the judgment, the Millennium Scholarship Program would have collapsed.

This incident with Philip Morris served to underscore the importance of passing tobacco securitization legislation so the state does not remain dependent on the financial strength of the tobacco companies. I am disappointed that the state assembly did not pass these bills, especially after they had passed during each of the past three legislative sessions in the state senate. In fact, in this last session the assembly never even held hearings on the bill.

One question I am frequently asked is, "How long will the funds last?" My usual response is that with three small children under the age of six, my wife is keeping up the pressure to have the funds available when they are ready to attend college. Unfortunately, the answer isn't that simple. Although in 1998 Nevada's share of the tobacco settlement was estimated to be \$1.2 billion through 2025, the actual amount Nevada receives each year is determined by a complicated formula that takes into account numerous factors, including the volume of national tobacco sales. I find it ironic that states are supposed to use the settlement monies to reduce smoking, yet if fewer people smoke we receive less money to fund our important programs – all the more reason to have previously enacted tobacco securitization legislation. The life of the trust fund will depend on several other factors, including Nevada population growth and the number of students using the scholarship each year.

To extend the life of the trust fund, in the 2003 legislative session I submitted legislation making substantial changes to scholarship eligibility requirements. Grade-point averages to maintain the scholarship in college were increased beginning with the class of 2003 and grade-point averages to initially qualify were increased beginning with the class of 2005. In addition, graduates of the class of 2003 and thereafter have six years to utilize their scholarships instead of eight. This legislation was signed into law by the governor.

Hopefully, the Millennium Scholarship will last for many years to come. Educating our young citizens is not a luxury, but a necessity, if Nevada is to be an economic force in this new millennium.



THE DIFFERENCE
BETWEEN
US AND THEM?
BIGGER
BRAINS.


We may not be the biggest bank in town, but oh boy, do we have a brain trust. In fact, our board boasts some of the best business minds in town.

Call, log on or stop by today. We think you'll notice the difference right away.

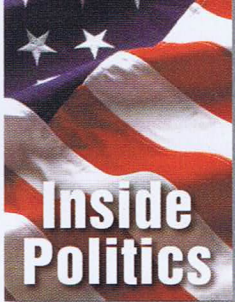
**Nevada
First Bank**

WE HAVE A HEAD FOR BUSINESS

MEMBER
FDIC

SBA Certified Lender  LENDER

777 N. RAINBOW BLVD. LAS VEGAS, NV 89107 • (702) 310-4000
WWW.NEVADAFIRSTBANK.COM



by **Mike Sullivan**

The 2004 Political Season

Conflict and Turmoil Predicted

To say that the 2004 political season in Nevada is going to be quite interesting might be like saying Mount Everest is a pretty big hill.

Next year's election cycle is so full of ups and downs, twists and turns, that it's hard to predict anything with a reasonable degree of accuracy. The tortuous conclusion of the 2003 legislative session created many hostilities and pitted major Nevada industries against each other.

Now add to that the fallout from an amazing implosion by one Democratic assemblyman and the zealous campaigns by anti-tax petition seekers and you have a tempest that isn't likely to die down anytime soon.

The assemblyman in question is Wendell Williams, who represents Assembly District 6 on the east side of Las Vegas. It's doubtful anyone by now hasn't heard of Williams' misdeeds, which led to his firing from the city of Las Vegas (filling out false time cards, billing the city for work he didn't actually do, using his city cell phone for personal calls, etc.).

As he fell from grace, however, he took a lot of his colleagues with him. It's doubtful that without Williams' very public destruction, the press would never have thought to look at how other public officials serving in the legislature get paid.

Now two other Democratic assembly members, Kathy McClain and Kelvin Atkinson, have been fired from their jobs at Clark County for receiving sick pay while they were actually working at the Legislature. The speaker of the Assembly, Richard Perkins, D-Henderson, has also come


under scrutiny by the media for continuing to receive pay from his employer, the Henderson Police Department, while serving in Carson City.

How these issues will play out in the '04 election cycle is anyone's guess. Although one Republican group is trying to qualify an initiative that would prevent public employees from serving at the Legislature, polls have shown little support for such a measure. It is likely, though, these issues will be widespread as Republicans attempt to close their two-seat deficit in the Assembly and widen their four-seat advantage in the Senate.

It was expected that after a tumultuous 2003 session, which ended in two special sessions and a widely debated tax increase, Republicans would be the ones with the most to worry about. GOP members in the lower house were firmly opposed to several parts of the tax package, especially a gross-receipts component that was strongly supported by gaming and other large, politically powerful industries.

These businesses had threatened not to support the 15 Republican Assembly members who consistently voted against the measure (and created the number of votes necessary to block the legislation with the state's two-thirds majority requirement). However, there have already been cracks in the coalition, and some of these Republicans are likely to get support and money.

The Democrats should get back at least two seats that were won in the Republican landslide of 2002. But the McClain and Atkinson seats are obviously vulnerable, and any public employee facing re-election will have a challenging time against a worthwhile opponent.

What might end up carrying the day for the Democrats is gaming's fear of an Assembly led by current Minority Leader Lynn Hettrick, R-Minden. He held his caucus together and thwarted efforts to pass the gross receipts tax (with help from the two-thirds majority requirement). The thought of a session with him and his cohorts in charge is likely to shake a few more dollars free and provide Speaker Perkins with all the volunteers he needs to stay in the majority. 

Mike Sullivan runs Knight Consulting, a public relations and government affairs firm in Las Vegas.



Your Construction Partner for Quality Construction Control



Disbursement Services Include:

- * Budget Review
- * Disburse / Authorize Loan Proceeds
- * Site Observations

- * Disbursement Summary
- * Process Payments / Lien Releases



- * Document Maintenance
- * Incorporate Change Order
- * Obtain W-9's & Submit 1099's



2601 North Tenaya Way, Las Vegas, NV 89128 702.255.4433 phone 702.255.4245 fax



by Ric Kellogg

Know the True Value of Your Business

Even if It Isn't for Sale

What would you do if someone made you an offer to purchase your business? Even if you're not interested in selling right now, it's wise to know what your business is worth. You never know when a lucrative offer may come your way. Or, more important, if you are interested in selling, knowing the true value of your company can help you recognize an offer that may be too low.

The difference between value and price

Although the terms are often interchangeable, "price" and "value" are not the same. Price suggests an actual compromise between buyer and seller, while value is theoretical. You should determine your business's value before you begin negotiating its price. A valuation sets the price at which the business would change hands between a willing buyer and seller, with neither actually having to act. In order to come to a proper business valuation, the Internal Revenue Service uses the following criteria: the business's earning capacity; the book value and financial condition of the company; the nature of the business and its history; the condition of the industry and general economic outlook; the value and sales of the company's stock; the company's dividend-paying capacity; the market price of publicly-traded stocks in comparable businesses; and the value of intangible assets, such as goodwill, licenses and patents.

What valuation methods are used

Along with considering IRS factors, appraisers generally take one of these approaches to valuing a business:

considers the past net income, cash flow, present income and any future projections. Results are capitalized by a standard multiplier to arrive at a current value. This approach gives added weight to earnings from the most stable periods, or recent earnings.

- The asset valuation method. Here, assets are appraised independently. Tangible assets considered are cash, accounts receivable, inventory and equipment. Intangible assets taken into consideration are goodwill and patents. Usually, this appraisal method results in a lower figure, since future earning potential is not considered. The asset valuation method is a useful tool to determine the business's minimum value.

- The market comparable approach. This method serves as a basic guideline and is not used to actually value a business. It simply determines a basic price structure by surveying similar companies in the same industry that have been bought and sold recently.

When buyer meets seller

Theoretically, the price buyer and seller agree upon is the fair market value of the business. However, in the real world, buy-

ers and sellers hardly come up with the same dollar amount. The business owner's valuation often is higher than the buyer's because the owner anticipates greater future earnings. Buyers, on the other hand, are conservative about forecasted profits. The differences in price discrepancies are often settled through a method of compromise called earnouts. With earnouts, the price of the business is contingent upon future earnings, perhaps as a percentage of revenues. Both the buyer and the seller must settle on the terms of the earnout, such as how profits are to be determined, dispute resolution and maximum payment.

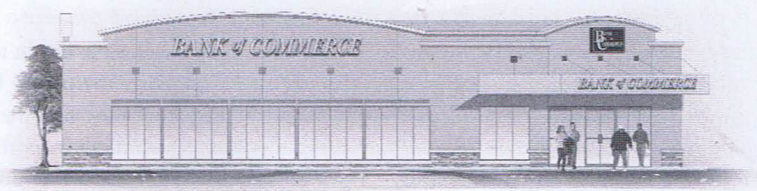
Know how to recognize a lucrative offer

Knowing how to value your business isn't just for those who are ready to sell. It's wise to know your company's value, since you never know when an offer will come along that you just can't refuse. Before making any decisions, you should seek the advice of your own lawyer and tax advisor.

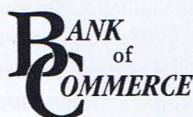


William (Ric) Kellogg, is vice president and registered representative of AXA Advisors, LLC, an insurance brokerage affiliate.

We're new to the neighborhood, but we're not new to banking.



Since 1999, Bank of Commerce has worked to enhance the quality of life in Southern Nevada by recognizing and meeting the banking and credit needs of the community we serve. Now open at 5295 S. Decatur, Bank of Commerce brings professional banking services with a personalized touch to Southwest Las Vegas. With three Southern Nevada locations, Bank of Commerce offers checking and savings accounts as well as credit accommodations to businesses and individuals. To find out more about our services, contact us at (702) 949-9800, or visit us at www.bankofcommerce-nevada.com.



*Large enough to handle your needs,
small enough to know your name.*

Member FDIC Equal Opportunity Lender



of sale? If you acquired the equipment under a lease with an option to buy for a dollar at the end of the term, did you remember to send in the dollar to receive the bill of sale? If you bought the equipment with financing that is paid off, did you receive a release, cancelled note, etc. and were the appropriate UCC termination statements filed in the appropriate state offices?

Real property can raise similar ownership issues but these are often, but not always, discovered during the process of obtaining title insurance. If real property is a key component of the value of your business, an experienced real estate lawyer should review the exceptions to title when you bought the property to advise you on what may cause problems to a subsequent buyer.

Does the company exist?

A fundamental but often overlooked point is whether your company exists. Even if you filed all of the right papers when you organized the company, there are annual fees and filings to maintain its existence. Also, there should be at least annual minutes, elections and other corporate formalities maintained to ensure your entity and the limited liability it affords the owners will be recognized. Corporate directors or the equivalent should approve significant matters, and the company's bank accounts and other assets should not be commingled with those of the owners. Buyers will generally review the minute books and other corporate records for serious problems. Unlike other areas, some of this can be fixed retroactively, so long as a problem does not arise beforehand. However, it is safest and most efficient to maintain good corporate records and formalities.

Are you permitted to sell?

Even if you fulfill the above requirements, there may be other legal impediments to doing your corporate deal. Private and governmental parties may have the right to veto your deal or may be in a position to exact a toll charge for you to complete your voyage to financial security.

Loan agreements, commercial leases, major intellectual property or similar license agreements, and other significant agreements often have restrictions against transferring to third parties. This is more of a concern with a sale of a business than

with a private or public financing in which the same owners retain control of the business. However, even in the case of a financing, "change of control" provisions may prohibit the sale of more than a very small percentage of the total ownership. If a possible corporate transaction is in your future and you have any bargaining power on these agreements, try to eliminate or minimize these restrictive provisions. Even if you lack the bargaining power to do that, at least try to include a provision that approval to a transfer will not be unreasonably withheld. Also, it is important to be in compliance with the terms of your key agreements, because you do not want to be surprised with allegations of default when you start to talk to your landlord, lender, or licensor about your corporate transaction.

Also, if your business is subject to any government regulation at the federal, state, county or city level, you may need permission to transfer the business or the licenses that are required to operate the business. This can require background checks of the buyers and their owners and managers, as well as filing fees and waiting periods. Do you have all the necessary licenses? Are they paid up and is the information supplied to the regulators up to date? In Nevada, many businesses are either regulated directly under gaming laws or affected by such laws indirectly because of their dealings with regulated companies.

Even if your business is not in a heavily regulated industry, the nature of your corporate transaction may require filings, filing fees and governmental approvals. If you are selling a business for more than \$50 million, you and the buyer may need to make Hart Scott Rodino filings with the Federal Trade Commission and the Justice Department. This is a pre-clearance process to detect antitrust problems which may arise from the transaction. Of course, if the government believes your deal results in too much concentration of market power, it can challenge the transaction and seek to enjoin it. Even in the absence of a problem, if the filings are required, they are cumbersome and there is a significant filing fee.

If you are contemplating an initial public offering, an extensive document called a registration statement must be filed with

the Securities and Exchange Commission (SEC) along with the required filing fees. The key part of the registration statement is the form of prospectus that must be given to potential investors. The staff of the SEC reviews and comments on the registration statement, which must be amended to meet the staff's comments before it clears the registration statement and the shares can be sold.

Can you show that your business is making money?

Even if all of the legal issues fall into place, buyers or investors often want to be sure your business is profitable. Good financial records are essential. If you want to go public, annual audits and unaudited quarterly financial statements are necessary. In addition, you are required to have records and a system of accounting and corporate controls suitable to produce financial statements in accordance with generally accepted financial statements. Such financial statements will also be required if you are being acquired by a public company and the acquisition is financially significant to the public company under SEC rules.

Even if your deal is completely private, the buyer typically will want to thoroughly review financial records. While annual audits by a reputable accounting firm tend to inspire the most confidence (notwithstanding some well-known auditing busts), annual reviews can also be helpful. There is no substitute, however, for clear, complete and accurate records and systems that ensure high quality recordkeeping. Unless the buyer is simply interested in acquiring certain of your assets to fit into its existing business, the profitability of your ongoing business will be of keen interest to a buyer. It will pay less or walk away from the corporate transaction if earnings, cash flow and other entries on the financial scorecard cannot be established with sufficient confidence.

Tax is another area to be addressed regularly. While there is nothing wrong with minimizing taxes with legitimate tax planning, if you are planning to sell or finance your business one day, overly aggressive tax maneuvers can create tax risk to a buyer that can limit your flexibility in structuring a sale or even jeopardize the corporate deal.

What about the employees?

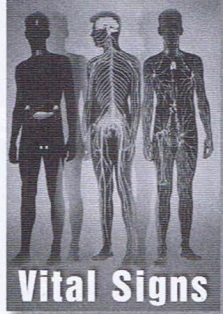
Don't forget the employees. Many buyers and investors will also have interest in this area. Do you have employment agreements locking up key employees? Even if you do not think such agreements are necessary or feasible, have you considered at least a non-compete agreement covering a modest period after termination? Are there contractual severance arrangements that should be reviewed? Are there any implied or oral commitments that could surface if a buyer wants to make a change? If there are employee-benefit plans such as pension, 401(k) or even health or dental coverage, have appropriate filings been made under ERISA? Have all the terms of the plans been complied with? Collective bargaining agreements can also raise a host of compliance issues and concerns upon a corporate transaction, such as gaining possible union approval. Finally, note that mass layoffs or facilities closing may require prior notice to employees under the WARN Act.

Do you have international operations?

Even the transfer of modest foreign operations can raise a host of issues in the foreign jurisdiction, ranging from competition law filings and approvals, employee notices and approvals, foreign exchange approvals, dealer or distributor protection laws and various other governmental approvals. You should confirm that all your foreign registrations and licenses are up to date and any foreign subsidiaries remain in existence. These issues must be approached on a jurisdiction-by-jurisdiction basis.

These are just a few of the topics you should begin thinking about if you contemplate a corporate transaction, even one fairly far into the future. This is a not a comprehensive list and – as noted above – each business will have its own special areas of concern. However, you can save time, money, effort and worry by addressing some mundane details today before they become potential deal-killers tomorrow. 🌿

Neal A. Klegerman is Of Counsel with the law firm of Kummer Kaempfer Bonner & Renshaw. His practice concentrates on corporate and securities law counseling and transactions.



by **Judy Andreson**

Meeting the Challenges of Rural Healthcare

NNRH Serves Elko County

Meeting the unique healthcare needs of a rural community is, at best, difficult. Elko General Hospital, which first opened in 1921 in central Elko, had been enlarged and remodeled several times, but the need for a larger, updated facility became more apparent with each passing year. To meet this challenge, in 1998 Elko County sold the old brick building to Brentwood, Tenn.-based Province Healthcare for \$22 million. Province also agreed to build a new \$40 million facility, now known as Northeastern Nevada Regional Hospital (NNRH).

"At NNRH we work diligently to recruit the right people to work here and to create alliances when necessary," said Chief Executive Officer Alex Poirier. "We also must try to help others in different parts of the state to understand the unique needs we have and cooperatively work to ensure we do not have dual systems of care in Nevada. Our location is the biggest challenge we face in recruiting professionals to relocate and join our team. In order to overcome this challenge, we carefully try to match people who would enjoy the lifestyle our community offers."

The 75-bed facility, located on Errecart Boulevard and Lamoille Highway in Elko, opened its doors Sept. 14, 2001. The three patient floors in the 125,000-square-foot hospital have large centrally located nursing stations. All patient rooms, including those in obstetrics and intensive care areas, are private and include bathrooms.

At the front entrance is a large reception area with a centralized admitting section, and a large dining room to the left. Beyond the reception area, to the south,

are physical therapy rooms. To the northeast is the 15-room emergency department, with an entrance for walk-in patients and a second entrance for ambulance arrivals. NNRH also has a helipad. The emergency department, radiology department, pharmacy and five operating suites are all linked, providing more patient privacy.

The adjacent 48,000-square-foot medical office plaza, built at a cost of \$8 million, includes space for 16 physician offices.

New Services and Equipment

When NNRH opened, its services featured an expansion of diagnostic imaging, angiography, cardiac and intensive care units. New equipment included a \$1.3 million MRI, \$1.4 million cardiac catheterization machine, \$600,000 CT Scan, \$380,000 Nuclear Medicine (SPECT), \$80,000 mammography equipment, \$180,000 ultrasound and computerized radiology.

Among the recently added services at NNRH is the new sleep medicine program, located on the third floor of the hospital. The center, open three nights per week, is staffed with a technician who monitors the patient's sleep. The patient arrives at the center at 7:30 p.m. to be fitted with electrodes and sensors. Computers are hooked up to the bed and monitors, allowing the technician to both watch and listen to patients.

Dr. Helmuth Vollger, a radiologist employed by NNRH, began operation in November 2003 of the hospital's new computerized radiology system, which replaces X-ray films. The digital system provides no loss of information, with the added benefit of image transmission to local physicians or specialists anywhere in the U.S.

Also in November, NNRH incorporated a program for third-year medical students attending the University of Nevada School of Medicine. Working with physician-mentors, the students see a wide range of medical conditions in rural areas, which helps build their confidence and experience.

Poirier said, "Since we are located more than 150 miles from the closest hospital providing cardiology and oncology services, we are working diligently to recruit physicians and develop services for the people we serve." 🌿

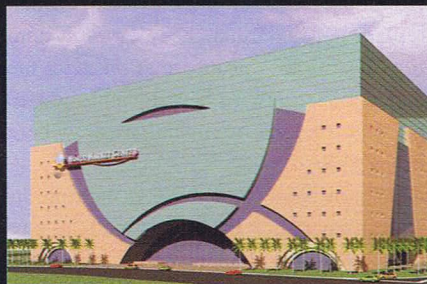
Intelligent Architecture with Timeless Design



ANC Urban Village



Home Finding Center



World Market Center

10150 Covington Cross Drive
Las Vegas, Nevada 89144
Phone: 702.731.2033
Fax: 702.731.2039
www.jmaarch.com

JMA ARCHITECTURE STUDIOS

Continued From Page 10

Nevada ranks third-lowest as a percentage of citizens living below the poverty standard. That is a statistic of which Nevada can be proud. We have progressed further than most states in wresting our citizens from the clutches of poverty. The Federal poverty threshold, however, should not be our goal – in 2003, a family of four is considered in poverty if total annual household income is below \$14,480. While that statistic is a good measuring tool, most Nevadans will tell you \$14,480 per year for a family of four barely affords the ability to buy adequate health insurance, quality childcare, healthy meals, sufficient housing and utilities. Finding Nevada ranked lower among other states in citizens living below the poverty line shouldn't be a reason for elected officials to stop paying attention to the social fabric of our state's safety net; it should be the beginning of a discussion as to how Nevadans, working full-time, should be able to afford life's necessities. Many working people and many of our senior citizens would agree they may not be as destitute as the federal poverty guideline, but they still struggle mightily with the basics of life.

Nevada ranks 51st in poverty spending. This statistic says we may have fewer people living in poverty than other states, so it would follow we would spend less per thousand on those in poverty. Again, a good comparison statistic that helps us understand where we are as a state and gives us an understanding of other statistics upon which we rely to make decisions. But in reality, let's try to understand where these tax dollars go. Medicaid makes up a substantial portion of this expenditure. Long-term care for our seniors is a part of that. Aid to families, or "Kinship Care", is part of the equation. Help for working families displaced from the economic downturn in the aftermath of Sept. 11 is a part of the expenditure.

An elected official is faced with choices. When someone is poor and sick, we can't say, "We rank third-lowest in poverty spending," and they are cured. They need healthcare. When there is a prescription drug available that may cost a fraction of what the clinical treatment might, we can't say, "Our Medicaid benefit is 30 percent more than California," and make the treatment magically cheaper. It is responsible to take a long-range view and keep

the costs as low as possible without shifting the burdens of care onto emergency rooms or private providers.

When presented with the choice of a child ending up homeless, in foster care, in the juvenile justice system or in the care of a family member who has been awarded guardianship, most reasonable decisionmakers choose the latter. In fact, my colleague who criticized the program in the *Nevada Business Journal* was the same one who not only voted for the program, but also seconded the motion in the committee to pass it. Again, a statistic will not provide for a child in need.

When special circumstances present themselves, as they did on Sept. 11, 2001, elected officials must react decisively. Hindsight is a wonderful thing, but during that time, telling the thousands of people who all of a sudden had to file unemployment and claim Nevada's welfare benefit that this state was not flexible enough for them was unacceptable. Hurting Nevada families was unacceptable. Working with programs like Project Helping Hand was the right thing to do, and it yielded Nevada \$68 million in federal aid for our citizens. There is no statistic that is going to tell me that was the wrong thing to do.

If there is a program that is not necessary, cut it. If there is a program that can be run more efficiently, help make it better. If there are people who need help, help them. The truth is that a majority of Nevada's decisionmakers, including Governor Kenny Guinn, have done their best to provide government's services to the people at a reasonable cost. A large majority of elected officials and interest groups felt that way. But because of Nevada's two-third's requirement, a small minority of people have become demagogues, using statistics to dictate policy rather than as a tool to help them understand policy.

Before we draw conclusions about our state of affairs, talk to our schoolteachers, our seniors and our poor. Visit the welfare offices and the medical offices treating Medicaid patients. My guess is you will find programs that run well, but can always use improvement. You will find hard-working people. You will find a state that is trying to do the best it can for its citizens, but always trying to improve. I don't know the statistic that measures that.



Assemblyman David Goldwater

National Insurance Consultants, Inc.

Providing Insurance Services to the Nation



Herman Ross, founder and chairman of the board of NICI, and Antoinette Modrok, president.

Established in Las Vegas by Herman L. Ross II, National Insurance Consultants, Inc. (NICI) started out in 1994 with Ross and just one employee. It has grown to become one of the premier insurance consultants in the U.S., employing 11 staff members and six licensed agents in its two offices, located in Las Vegas and in Largo, Maryland. NICI is a full-service provider of insurance services to public and private-sector businesses across the nation.

In Nevada, NICI provides coverage for many large businesses and organizations, including ATC, which operates the two largest bus lines in the state, and the Economic Opportunity Board (EOB). "We have been very, very satisfied with NICI's service, and especially with their employees. It's been a pleasure working with them," said Marcia Rose Walker, executive director of EOB Community Action Partnership. Although it began as a niche business serving the insurance needs of the transportation industry, NICI now serves clients across a broad spectrum of commercial and public interests, and serves clients as varied as daycare centers, apartments, construction companies, non-profit groups, homeowners associations, medical professionals, motor carriers and wellness facilities. It is currently expanding to provide full-service insurance coverage to cities, counties and municipalities across the U.S.

In December 2003, Herman Ross resigned as president of NICI and now serves as chairman of the board. He took charge of the company's Maryland operations,

which opened in July 2003 to serve the greater Washington D.C. area, as well as Virginia and Maryland. Antoinette Modrok is the new president and part-owner of NICI, heading up the Las Vegas office, and Teresa Gonzalez serves as vice president.

"At NICI, we know that business insurance is very complicated, and the right coverage for your business can mean the difference between its survival and failure in the event of a disaster," said Modrok. "The team of experts at NICI is ready to consult with you to provide your business with insurance that will enable you to manage any type of emergency, rebuild your business if necessary, and provide your company the ongoing security it needs."

NICI sees educating clients as an important part of its mission. "We sit down with them and evaluate their needs," explained Modrok. "What products do they need? How much coverage? Are they even aware of all the risks they may have?" For example, in addition to liability and property coverage, companies may need employment-practices coverage, which can protect against claims by employees for discrimination of one kind or another. "In today's increasingly litigious society," warned Ross, "Businesses need to be protected against lawsuits of many kinds. Each firm has its own unique set of circumstances and its own kind of risks, and we make clients aware of all their exposures, not just the obvious ones." After the policy is written, NICI's programs and services are constantly updated to keep pace with clients' changing needs.

Programs for Employers and Schools

In addition to standard commercial coverage, NICI also provides group employment benefit packages, which can include group health, life, vision and dental plans, and disability policies. It helps the business owner by using top-rated carriers and assisting where needed with the administration of the plan. It can provide coverage through preferred provider organizations (PPOs) or health maintenance organizations (HMOs).

Employment benefit packages can also include pension plans, profit-sharing, and key-person policies. In a "cafeteria plan", NICI reviews the needs of the business owner and matches them with products offered by top-quality carriers. The resulting plan can then be tailored to fit any group situation, and provides benefits to employees that are funded with pre-tax dollars.

NICI can arrange for fully or partially self-funded benefit plans for companies with large numbers of employees. Programs can be designed to fit any budget, and NICI provides help in administering the program.

Serving the insurance needs of schools and universities is another area of expertise for the staff at NICI, which provides coverage for student health insurance at two major universities. It has also partnered with large insurance carriers to solicit contracts for accident-insurance policies for student athletes on a national basis. It can custom-fit insurance plans to fit the needs of any educational institution, large or small,



The staff of NICI's Las Vegas office, shown with founder Herman Ross, is composed of individuals with many years of insurance underwriting experience.

including: health, life, vision and dental insurance for students; special-events coverages, international student protection; and intercollegiate athletic insurance.

Transportation Industry Specialist

NICI serves 24 major transit systems across the United States, providing insurance for fleet operations, medical coverage and life insurance. In its role as a nationwide transit insurance agency, NICI is involved in all areas of the transit scene, including municipal transit authorities, private bus companies and manufacturers. Its familiarity with charter buses, para-transit, fixed-route, commuter and all phases of public and private transit makes NICI the company of choice for many transit firms.

NICI offers risk-management and loss-prevention consulting, providing consultations on driver training, ergonomics, safety and prevention, and it maintains a library of films and safety programs for use by clients. Its risk-management services include: accident review, claims consulting, computer software packages, exposure surveys, policy reviews and technical support services. Pre-employment background checks and drug-testing services are also available.

NICI was chosen to provide coverage for ATC, which operates the entire fixed-route system for the Regional Transportation Commission of Southern Nevada, with a fleet of 308 vehicles and a ridership in

excess of 51 million each year. ATC also operates the paratransit system in the Reno area. According to David A. Boggs, regional vice president for the southwest region of ATC, "National Insurance Consultants has provided service to ATC since 1994. It continues to astonish the customer with its high level of quality customer service. Its staff always takes care of us in the best manner possible."

NICI was also awarded part of the contract to service the Washington Metropolitan Transit Authority, the fourth-largest transit system in the U.S. It operates the bus system throughout Maryland, the District of Columbia and Virginia, as well as the metropolitan area's subway system.

NICI is certified by the Department of Transportation (DOT) as a Disadvantaged Business Enterprise (DBE), ready and able to help DOT-assisted state and local transportation agencies fulfill their annual DBE contract goals. However, noted Ross, "I'm an insurance agent first, and a minority enterprise second. In nine out of 10 bids, people don't know I'm a minority until I show up in person. We are involved with two major insurance brokerage firms, providing national contracts as joint ventures instead of being minority partners."

Herman Ross has been a member of the American Public Transportation Association – an international organization representing the transit industry – for seven years. He also serves on the board of the Conference of Minority Transit Officials (COMTO), a national non-profit organization designed to serve minority businesses seeking contract opportunities within the transportation industry. He served for three years on the board of the Nevada Minority Purchasing Council.

Ambitious Plans for Growth

Herman Ross credits his company's success to the team he has built up over the years. "We surround ourselves with intelligent, experienced and caring people, and give them the tools and the guidance they need to do their best," he explained. As NICI's tenth anniversary approaches, it has pierced the seven-figure mark in gross revenue, and Ross predicts the company's income will double within two years. "We started out in a niche market, but we're now poised to expand, both geographically and in our scope of operations," he stated. NICI recently opened a claims office in

NICI Receives Recognition

In 1998 NICI was named the North Las Vegas Chamber of Commerce Minority Business of the Year.

In 1999, it was named the Nevada Minority Purchasing Council's Minority Business of the Year.

In 2000, the National Minority Supplier and Development Council, with a membership of over 15,000, chose NICI as the Category One Western Region Supplier of the Year.

Tampa, Florida, with plans to establish a full-service branch there in July 2005. "I would like to see NICI expand even further and do business internationally," said Ross. "I want to build a legacy – something to leave to my children and my partners' children if they decide that's what they want to do with their lives."

Ross also wants to expand into consulting as an important addition to NICI's insurance brokerage services. He envisions the firm as an international consulting company providing options for companies large and small, including – but not limited to – insurance, loss-control and risk-management advisory services.

"Some insurance brokers feel they have earned their commission once they sell a policy, and they move on," Ross stated. "We earn our commission by working with the client and helping to make sure he has as few claims as possible. For us, the sale is just the beginning of a long-term relationship."

National Insurance Consultants, Inc.

8687 W. Sahara Ave., Suite 200

Las Vegas, NV 89117

702-696-9586

Toll free 800-689-2698

Fax: 702-696-9899

9701 Apollo Dr., Suite 201

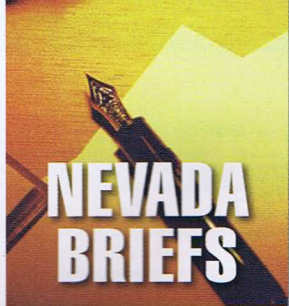
Largo, MD 20774

301-322-8104

Fax: 301-322-8396

www.niciinsure.com

email: info@niciinsure.com



Southern Nevada Paving Sold

Aggregate Industries, a British aggregates and building-materials group, recently announced the purchase of Southern Nevada Paving Company Inc., Nevada Paving, Inc. and Valley Trucking, Inc. (SNP) for \$64.1 million cash. SNP is a paving contractor and also produces asphalt and aggregate. In 2002, the company had sales of \$101 million and produced 3.6 million tons of aggregates. The sale included four asphalt plants, as well as a 50 percent interest in the 530-acre Sloan Mountain Quarry. The sellers are Floyd and Jeri Meldrum. In Britain, Aggregate Industries is the fourth-largest aggregates producer, the second-largest asphalt producer, the fifth-largest ready-mixed concrete producer and a leading manufacturer of precast concrete products. In the US, the group is the seventh-largest aggregates producer and the eighth largest producer of ready-mixed concrete.

Sports and Recreation Complex Planned for Reno

Plans for the Reno Ice Dome 500, an ice-skating, multi-use sports and recreation complex, were recently unveiled by Nevada Youth Sports Development, Inc., a non-profit organization that will own and operate the facility. The Nevada Commission on Tourism is lending marketing and promotional support for the 175,000-square-foot dome, which will feature NHL and Olympic-size rinks, plus a unique Leisure Ice attraction shaped like a frozen lake with trees, fireplaces, park benches and concession stands. Plans call for a year-round training facility, as well as skating and hockey programs to fit all levels of skating ability. The Ice Dome 500 will seat 6,500 for hockey and ice events,

7,000 for concerts and 8,500 for boxing events. Amenities will include a pro sports shop, sports medicine clinic, restaurant, concessions, locker rooms, media center and arena suites. Revenues generated by the Ice Dome will go toward youth training scholarships and development of individual and team sports opportunities.

Business Bank to Enter North Las Vegas Market

Business Bank of Nevada recently announced plans to build a 5,500-square-foot facility at the corner of Cheyenne and Valley Ave. in North Las Vegas. The full-service branch will have a contemporary stucco architectural design, drive-up ATM, drive-up teller window and six teller windows inside, with one being ADA-compliant for physically handicapped individuals. The bank branch will occupy 3,750 square feet of the building, with an additional 1,750 square feet of space available to lease out to another business. The bank's project is part of a 50-acre commercial development Lyle Brennan & Associates will be developing on the site over the next three years. In addition to Business Bank, the project is slated to house retail shops, commercial office space, light industrial and warehouse space. The bank anticipates breaking ground on the facility in March and is planning to hold a grand opening in October 2004. Upon completion of the North Las Vegas facility, Business Bank will have six full-service branches statewide. Bank officials announced they are currently looking at other markets in both Northern and Southern Nevada and are planning to relocate the corporate headquarters to the northwest part of Las Vegas in approximately three years.


Ely Mine to Reopen

Quadra Mining, a privately-owned Australian firm, has agreed to purchase the Robinson copper and gold mine near Ely, which has been closed since 1999. The \$18 million purchase price for the Robinson mine was part of a \$91 million transaction that included \$73 million for the seller's share in Canada's largest copper-producing company. The seller, Australia-based BHP Billiton, is the world's largest mining company. The deal is expected to close in February, provided all regulatory and financial conditions are satisfied. Quadra has announced plans to reopen the mine, which has the potential to restore 300 to 400 jobs to Ely and White Pine County. In 1999, the mine produced 61.8 million pounds


of copper concentrate, 26,250 ounces of gold and 153,104 ounces of silver.

NCED Releases Statistics

A total of 74 new businesses located to Nevada and 3,101 new primary jobs were created during the past fiscal year, according to a report released in December by the Nevada Commission on Economic Development (NCED). The state lists only those businesses the commission and/or regional development authorities have assisted. For the sixth consecutive year, the majority of businesses that relocated to Nevada were from California – a total of 24. The next largest geographic region was the Midwest. Eleven companies reported they expanded, creating 801 new primary jobs. "These numbers represent efforts by the state to help existing businesses thrive and grow," said NCED Chair Lt. Governor Lorraine Hunt. "The future of economic development includes supporting Nevada's entrepreneurs." 🌵



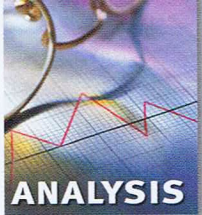
SUBSCRIBE NOW



AND SAVE!

ONE YEAR	\$44
26% off cover price!	
THREE YEARS	\$79
56% off cover price!	

Fax Order: (702) 733-5953
Phone Order: (702) 735-7003
Web Order: www.nbj.com



Business Indicators

ANALYSIS

The third-quarter inflation-adjusted rate of growth in aggregate spending moved forward at a brisk rate of more than 2.0 percent above the second quarter (or, at a seasonally adjusted annualized rate of 8.2 percent), signaling an economy that is gaining steam. Personal consumption, equipment and software purchases, exports and residential-fixed investment were cited as components contributing most significantly to the growth. The presence of equipment, software and investment expenditures on the list of main contributors reflects a shift from dependency on consumption as the engine of growth – an important sign that the recession is behind us.

Employment levels and the unemployment rate remain flat. With excess capacity and rapid productivity gains, improvements in the labor market should follow a more delayed pattern than in the past. Still, the robust growth in Gross Domestic Product (GDP) for the third quarter, an indication of strength and growth continuity for 2004, should result in labor-market improvements in the months ahead.

The most recent indicators for Nevada generally look favorable. Unlike the noticeably flat U.S. labor-market data, Nevada conditions show employment levels above year-ago levels. These rates exceed the growth levels of national employment by more than 3 percent. The labor-market picture suggests that Nevada has weathered the recession of 2001 and is back on a well-defined expansion path. Taxable sales are also up 12 percent from a year ago.

Reno continues to show some weakness in its gaming revenue, down 13.6 percent from August to September and down 7.9 percent from year-ago levels. This weakness is, however, balanced by a favorable unemployment rate of 3.7 percent and employment growth of 3.1 percent, suggesting expansion in the region's non-gaming sectors. Lastly, the profitability of rural Nevada's mining sector has brightened considerably with the run-up in gold prices, now in excess of \$400. By all appearances, Nevada's 2004 outlook is good.

R. KEITH SCHWER
UNLV Center for Business and
Economic Research

	UNITS	DATES	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT (%)	YEAR AGO (%)	
NEVADA								
EMPLOYMENT	1,000 EMPLOYEES	10/03	1,098.7	1,091.0	1,063.6	0.7	3.3	Up
UNEMPLOYMENT RATE	%, NSA	10/03	4.7	5.1	4.7	-7.8	0.0	Improving
TAXABLE SALES	\$ BILLION	09/03	3.097	3.067	2.764	1.0	12.0	Strong
GAMING REVENUE	\$ MILLION	09/03	841.54	813.62	809.96	3.4	3.9	Trending Up
PASSENGERS	PASSENGERS	10/03	3,565	3,418	3,548	4.3	0.5	Even
GASOLINE SALES	MILLION GALLONS	09/03	90.27	95.74	84.44	-5.7	6.9	Trending Up
VISITOR VOLUME	MILLION VISITORS	09/03	3,950	4,453	3,839	-11.3	2.9	Trending Up
CLARK COUNTY								
EMPLOYMENT	1,000 EMPLOYEES	10/03	826.8	820.5	798.1	0.8	3.6	Showing Strength
UNEMPLOYMENT RATE	%, NSA	10/03	4.9	5.3	5.0	-7.5	-2.0	Improving
TAXABLE SALES	\$ BILLION	09/03	2.241	2.233	1.979	0.4	13.2	Strong
GAMING REVENUE	\$ MILLION	09/03	683.85	635.80	643.03	7.6	6.3	Up
RESIDENTIAL PERMITS	UNITS PERMITTED	10/03	2,898	3,475	2,454	-16.6	18.1	Strong
COMMERCIAL PERMITS	PERMITS	10/03	100	136	90	-26.5	11.1	Strong
PASSENGERS	MILLION PERSONS	10/03	3,118	2,966	3,118	5.1	0.0	Even
GASOLINE SALES	MILLION GALLONS	09/03	58.92	61.32	54.37	-3.9	8.4	Up
VISITOR VOLUME	MILLION VISITORS	08/03	3,304	3,748	3,192	-11.8	3.5	Up
WASHOE COUNTY								
EMPLOYMENT	1,000 EMPLOYEES	10/03	204.8	203.1	198.7	0.8	3.1	Showing Strength
UNEMPLOYMENT RATE	%, NSA	10/03	3.7	3.9	3.7	-5.1	0.0	Improving
TAXABLE SALES	\$ BILLION	09/03	0.505	0.498	0.470	1.4	7.5	Strong
GAMING REVENUE	\$ MILLION	09/03	86.10	99.66	93.45	-13.6	-7.9	Down
RESIDENTIAL PERMITS	UNITS PERMITTED	10/03	554	624	427	-11.2	29.7	Strong
COMMERCIAL PERMITS	PERMITS	10/03	15	29	23	-48.3	-34.8	Down
PASSENGERS	MILLION PERSONS	10/03	0.380	0.374	0.369	1.4	2.8	Up Slightly
GASOLINE SALES	MILLION GALLONS	09/03	15.77	17.60	15.56	-10.4	1.3	Holding
VISITOR VOLUME	MILLION VISITORS	08/03	0.458	0.493	0.464	-7.1	-1.4	Down
UNITED STATES								
EMPLOYMENT	MILLION, SA	11/03	130.174	130.117	130.409	0.0	-0.2	Even
UNEMPLOYMENT RATE	%, SA	11/03	5.9	6.0	5.9	-1.7	0.0	Even
CONSUMER PRICE INDEX	82-84=100, NSA	10/03	185.0	185.2	181.3	-0.1	2.0	Favorable
CORE CPI	82-84=100, NSA	10/03	194.3	193.6	191.8	0.4	1.3	Favorable
EMPLOYMENT COST INDEX	89.06=100, SA	3Q03	161.7	160.3	156.9	0.9	3.1	Up
PRODUCTIVITY INDEX	92=100, SA	3Q03	131.9	129.5	125.9	1.9	4.8	Good
RETAIL SALES GROWTH	\$ BILLION, SA	10/03	318.490	319.438	300.048	-0.3	6.1	Trend Up
AUTO AND TRUCK SALES	MILLION, SA	10/03	15.50	16.59	15.34	-6.6	1.0	Still Strong
HOUSING STARTS	MILLION, SA	10/03	1.960	1.905	1.653	2.9	18.6	Still Strong
GDP GROWTH	\$ BILLION, SA	3Q03	9,821.2	9,629.4	9,485.6	2.0	3.5	Up
U.S. DOLLAR	97.01=100	11/03	116.526	116.657	126.326	-0.1	-7.8	Weakening
TRADE BALANCE	\$ BILLION, SA	09/03	-41.272	-39.518	-36.663	4.4	12.6	Weakness
S&P 500	MONTHLY CLOSE	11/03	1,058.20	1,050.71	936.31	0.7	13.0	Up
REAL SHORT-TERM RATES	%, NSA	10/03	1.03	0.61	1.41	68.9	-27.0	Down
TREASURY YIELD SPREAD	%, NSA	10/03	3.35	3.31	2.33	1.2	43.8	Up

SOURCES: Nevada Department of Taxation; Nevada Department of Employment, Training and Rehabilitation; UNR Bureau of Business and Economic Research; UNLV Center for Business and Economic Research; McCarran International Airport; Reno/Tahoe International Airport; Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority; U.S. Department of Commerce, U.S. Bureau of Labor Statistics, U.S. Census Bureau; U.S. Federal Reserve Bank.

1031 Exchanges

Deferring Taxes Not Just for Real Estate



Shauna Brennan Erhard (seated) and Gean Mundt (standing) are the principals in Nevada National Exchange, a Qualified Intermediary providing comprehensive services for tax-deferred exchanges, reverse exchanges and improvement exchanges.

If you have business investments, in either real estate or business equipment, the government is providing you an incentive to trade up, according to Shauna Erhard, president and general counsel for Nevada National Exchange. "Capital gains taxes can be deferred under Internal Revenue Code §1031, and as the wealthy know, if you continue to trade up, these taxes can be deferred indefinitely."

Internal Revenue Code §1031 exchanges have long been popular with real estate investors, but Erhard explains that companies in Nevada could be increasing their bottom lines when they upgrade any business asset. "Construction equipment, rental car fleets and manufacturing equipment can all be upgraded while deferring the payment of tax on the capital gains under this code," she says.

Who is eligible?

If you purchase business or investment holdings, §1031 deferment may be an option for your reinvestment plans. Any domestic or foreign corporation, limited liability company, partnership, trust or individual qualifies for the deferment. The only stipulation is that the asset must be purchased in the United States. Real estate holdings or capital assets outside the United States do not qualify.

What is a 1031 Exchange?

Internal Revenue Code §1031 provides for deferment of capital gains taxes on business assets, with certain stipulations. First, the exchange must be for the same type of asset, known as "like kind". Real estate must be exchanged with real estate (though you can exchange raw land for an office building or apartments), art for art and equipment for equipment. It is not commonly known that business assets and equipment – including construction equipment – and intellectual property such as copyrights and trademarks, may be replaced and the capital gain taxes deferred under a §1031 exchange, according to Gean Mundt, chief executive officer of Nevada National Exchange. However, the asset cannot be standing sale inventory or stock in trade.

The owner of both the original and the replacement property must be exactly the same. If your subsidiary owns a crane and you want to purchase a backhoe to exchange, the subsidiary must own the new backhoe, as well. If two business partners are listed as owners, those business partners (and only those two) must be the owners of the new asset.

Strict timelines must be satisfied. The entire exchange process, from selling the old property to purchasing the new prop-

erty, must close within 180 days, and the replacement property must be identified within 45 days. In some cases, investors prefer to purchase the new property first, a method known as a "reverse exchange." However, the same deadlines apply.

Most importantly, neither the owner nor any agent of the owner (such as an employee, accountant or lawyer) can take possession of the funds during the exchange. "If the taxpayer or any related party takes constructive or actual receipt of the money," explains Ms. Mundt, "it creates a constructive receipt to the taxpayer and the sale will be subject to taxation. The tax code allows an independent third party or Qualified Intermediary to hold the money. Parking your money with a Qualified Intermediary is a safe and inexpensive answer to this dilemma." Nevada National Exchange, a Qualified Intermediary, satisfies the tax code by holding the taxpayer's funds during the exchange. Nevada National Exchange also maintains \$5 million bond coverage as additional protection for clients' funds.

Your Qualified Intermediary

A Qualified Intermediary is an entity established by the Code under strict criteria and is specifically qualified to act for taxpayers without being deemed their agent. A Qualified Intermediary may not be the taxpayer, related to the taxpayer or have acted as an agent of any kind for the taxpayer for the two years preceding or following the transaction. The tax code requires specific documentation and satisfaction of notice periods in order for the exchange to qualify for tax-deferred treatment under §1031. Documentation for the exchange must be in place prior to the transfer of any property. Nevada National Exchange documents the exchange transaction and assists the taxpayer in satisfying the IRS requirements.

The contract for sale of the old property and the purchase agreement for the new property must contain specific provisions, according to Shauna Erhard. "Proper documentation of an exchange is critical to



satisfy the Internal Revenue Code,” she warns. “Failure to meet the statutory documentation requirements will result in taxes being assessed against the taxpayer.”

The documentation can be particularly complex in improvement exchanges, in which the replacement property is being improved, and in reverse exchanges, where the replacement property is acquired prior to the sale of the original property. Nevada National Exchange advises the taxpayer about the many complexities of the IRS documentation requirements.

“Shauna Erhard brings a wealth of real estate and transactional legal experience to Nevada National Exchange,” according to Gean Mundt. “Our team can provide comprehensive accommodation services for delayed exchanges, reverse exchanges and improvement exchanges. No transaction is too complicated for us.”

The Importance of Trust

The use of a Qualified Intermediary is a financial decision, and as such, requires the taxpayer to exercise due diligence. In selecting a Qualified Intermediary, the client should review the experience and reputation of the company. “Personal service and integrity are keystones to our profession and our firm,” notes Gean Mundt. “At Nevada National Exchange, we pride ourselves in our service to our customers and the community.”

Indeed, both Mundt and Erhard are well known in the business community, and their varied joint experience, from real estate to law, benefits their clients directly. Gean Mundt has 15 years experience in the title insurance, escrow and

1031 tax-deferred exchange business. She has been a member of the Federation of Exchange Accommodators since 1996, and serves on the FEA Ethics and Continuing Education Committees. She is a Certified Exchange Specialist, a designation awarded by the Federation of Exchange Accommodators and the only standardized test and designation for Qualified Intermediaries.

A graduate of Notre Dame Law School, Shauna Brennan Erhard has practiced over 16 years in corporate transactions, real estate and finance law. Her wealth of experience stems from in-house positions as Associate General Counsel for Harrah’s Entertainment, Inc. in Las Vegas, Nevada, and for NationsBank, N.A. (now Bank of America) in the Baltimore-Washington D.C. area, as well as private practice, including a position with Kummer, Kaempfer, Bonner & Renshaw in Las Vegas. Ms. Erhard is licensed to practice law in Nevada, Maryland and the District of Columbia.

The principals of Nevada National Exchange believe in making a positive impact in the community. Ms. Erhard’s commitment to networking within the real estate community led to the founding of Commercial Real Estate Women of Southern Nevada, in which she served as president in 1999. Gean Mundt’s professional leadership includes serving as 2004 President for Commercial Marketing Group and 2004 President for Commercial Real Estate Women of Southern Nevada. Ms. Mundt is also a member of the Greater Las Vegas Association of Realtors and its commercial affiliate, the Commercial Alliance.

Both principals are active in local charities. Shauna Erhard serves on the Las Vegas Affiliate Board of The Susan G. Komen Breast Cancer Foundation.

Begin Your Exchange

Due to the many requirements of §1031, it is important that investors seeking to complete an exchange begin the process as early as possible. Exchange documents must be in escrow before assets are purchased or sold. A Qualified Intermediary assists clients in meeting deadlines, properly preparing documents and coordinating the professionals involved, including real estate agents, tax preparers and title companies.

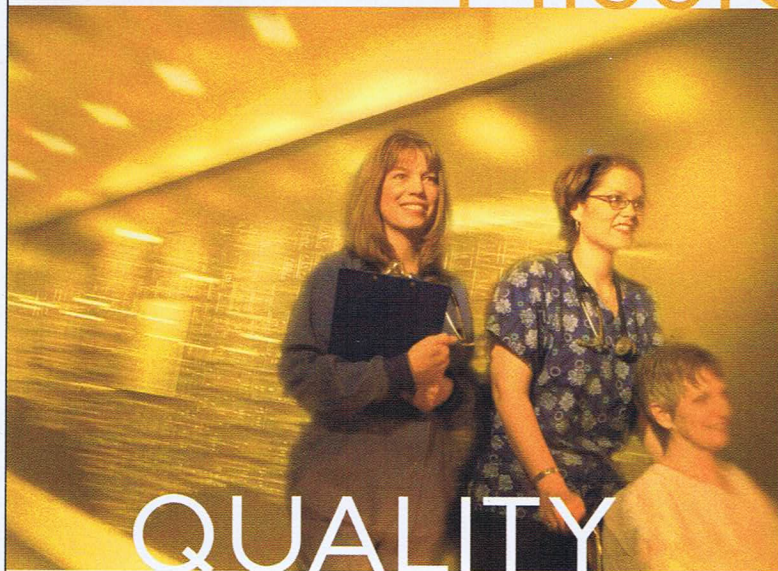
Businesses that update their industrial equipment cyclically, or investors who desire to trade up in real estate value, can benefit from a consistent relationship with an intermediary service such as Nevada National Exchange.

“The hallmark of Nevada National Exchange is personalized service,” states Ms. Erhard. “We realize each transaction is important to our clients, and we make it our priority to be available because of the critical timeframes in an exchange transaction. Investors are seeking solid information and they expect to be assisted throughout this complicated process.”

“Our company provides a vital service in accommodating tax-deferred exchanges. We understand that growing and preserving wealth is a top priority for businesses and individuals. At Nevada National Exchange, it is our privilege to help real estate professionals, accountants, financial planners, attorneys and their clients grow wealth through §1031 tax-deferred exchanges.”

Nevada National Exchange, LLC
 IRC Section 1031
 Exchange Accommodator
 3753 Howard Hughes Pkwy
 Suite 200
 Las Vegas, NV 89109
 Phone: (702) 313-4215
 Fax: (702) 656-8717
NevadaNationalExchange.com

MISSION



QUALITY

PEOPLE



When you love where you work, it shows. Building one of America's top 100 hospital systems has taken the work of many physicians, nurses, staff, volunteers and donors who enjoy working with and supporting Saint Mary's.

Living our mission. Committed to quality. Proud of our outstanding people, who love what they do... and it shows.

Our Mission. Our Quality. Our People. | saintmarysreno.com





Paul Dykstra
President & CEO

THE SHOW IS OUR BUSINESS

When the largest shows and conventions roll into Las Vegas, Paul Dykstra and his team at GES get rolling, too. GES orchestrates everything behind the scenes of successful shows. Laying miles of carpet and electrical cable. Producing hundreds of signs and graphic images. Handling thousands of pounds of freight. Building countless exhibit booths. And every other detail you can (or can't) imagine.

everythingexposition

702.263.1500

gesexpo.com

GES.