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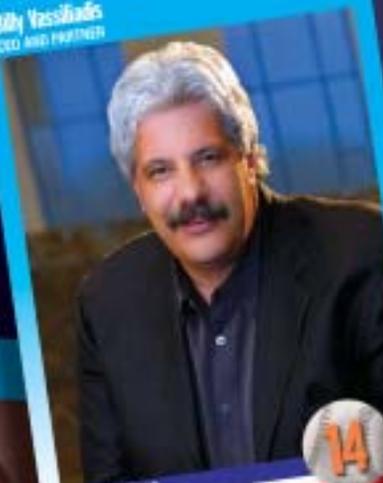
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INDUSTRY FOCUS

#### BANKERS

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**James E. Rogers**  
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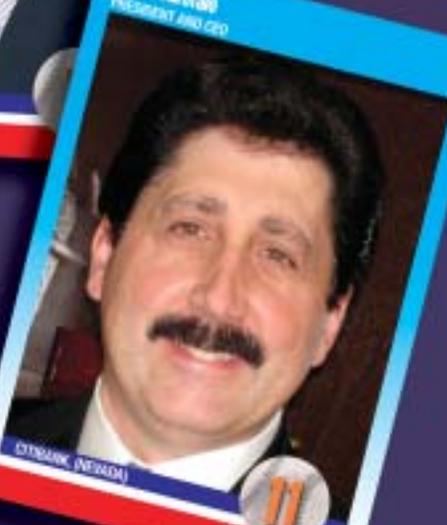
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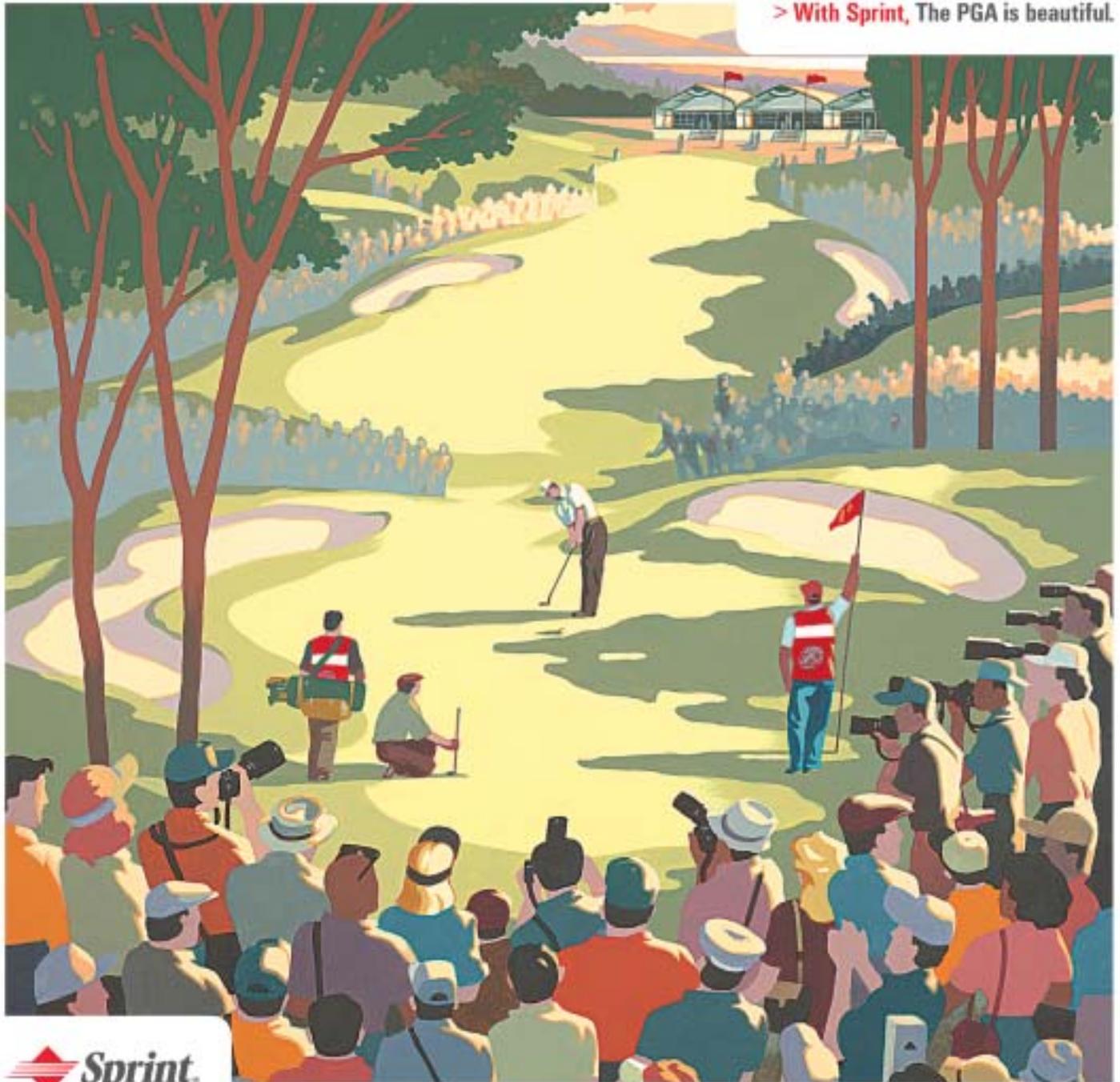


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**L**YLE E. BRENNAN  
*Publisher*

# Taxpayers' Bill of Rights

## WILL IT WORK IN NEVADA?

**T**hose who support a Taxpayers' Bill of Rights (TABOR) talk about the "ratchet up" effect in state governments. Let's see if it applies to Nevada. The theory says that in periods of prosperity, governments tend to increase spending to match the increase in revenues. However, when growth stalls or a recession hits and state revenues fall, governments are reluctant to cut spending. There is pressure from the beneficiaries of the spending to raise taxes to offset the budget shortfall instead of cutting back on expenses. Over time, this "ratchet up" effect results in increased government revenues (taxes) and increased spending.

All we have to do to prove this theory is at work in the Silver State is to look at what happened with the budget surplus during the last legislative session. As soon as lawmakers found they were going to have more money than planned, refunding it to the taxpayers was the last thing on their minds. It took a real effort by Sen. Bob Beers and others, combined with the threat of a taxpayers' revolt, to force the Legislature to refund even a portion of it.

"TABOR can be understood in terms of a battle between citizens and special interests, i.e., between tax payers and tax consumers," said Barry Poulson, Ph.D., professor of economics at the University of Colorado at Boulder and a leading authority on TABOR. "Taxpayers want to limit the burden imposed by government taxation and spending. Special interests seek to preserve what they perceive to be their rights to that spending."

A total of 26 states have introduced limits to control taxes and spending, but in most of those states, these measures have been watered down by special interests until they are meaningless. The exception

is Colorado, where voters passed a TABOR in 1992, amending the state constitution to: 1) limit the growth in state revenue and spending to the amount of the previous budget, plus the sum of population growth and inflation; 2) ensure surplus revenue above this amount is returned to taxpayers; and 3) require voter approval for tax increases or any weakening of the amendment's limits. If government violates the TABOR rules, citizens can sue. As a result of this legislation, more than \$3 billion in surplus revenue has been returned to Colorado taxpayers in the form of rebates or tax reductions.

When Sen. Beers introduced a TABOR bill in the Nevada Legislature during the recently concluded session, Assembly Speaker Richard Perkins called this successful Colorado initiative a "failed experiment," and others joined him in making sure the bill died a speedy death. It's no wonder it was greeted with fear and loathing. Besides threatening the lawmakers' power base (their ability to spend themselves into political favor), it also sends a message to government that it is the people, not the government, who should have the final say in how their money is spent. What a dangerous idea!

It also sets the stage for other government reforms, as success breeds new confidence that voters can take power into their own hands. For instance, Colorado recently set up a voucher system for education, not only for K-12, but also for higher education.

After more than 10 years of watching the TABOR law operate in Colorado through changing business cycles, one item that could be improved on is the so-called "ratchet-down" effect that occurs just after a recession. Because TABOR re-

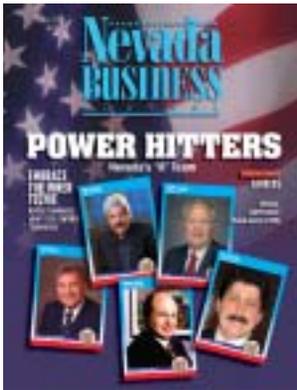
quires excess revenues be rebated to taxpayers, the state may have to pay out rebates before it has completely recovered from the effects of the recession, which can result in a temporary financial crunch. To correct this problem, a change can be written into Nevada's TABOR law. A "budget stabilization fund," similar to Nevada's existing Rainy Day Fund, can be established to set aside some surplus revenue during periods of growth to offset revenue shortfalls during "down" economic cycles. If we write this into our TABOR at the beginning, it will eliminate one of the arguments used by opponents.

Even if a TABOR for Nevada is eventually passed, we will still need to be vigilant to make sure it isn't compromised. For example, in Colorado, the education lobby convinced voters to pass Amendment 23, which was advertised as a "revenue-neutral" proposal to allocate more money to K-12 education, but which in effect mandated more spending on K-12. There is now a constitutional conflict in Colorado between Amendment 23 and the TABOR rules. The deliberately misleading language and attempt to confuse voters should sound familiar to Nevadans who were paying attention to the last round of proposed amendments in our state.

Efforts to pass a TABOR can give taxpayers' organizations in Nevada a new lease on life. Instead of just opposing spending measures, we can be pro-active and implement something positive. It's certainly worth investigating. We have nothing to lose but our tax bills.

For more information about how TABOR can work for Nevada and how you can support efforts to get it on the ballot, check out this Web site: [NVTABOR.com](http://NVTABOR.com). 

COMMENTS? email: [lyle@nbj.com](mailto:lyle@nbj.com)



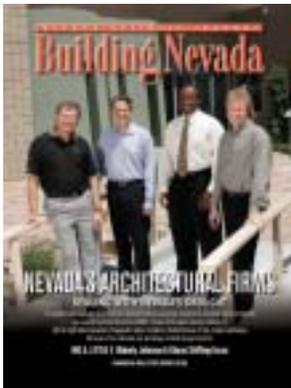
Our lineup of Nevada's Power Hitters includes: Irwin Molasky, Billy Vassiliadis, Anthony Marlon, James Rogers and Steve Garofalo.

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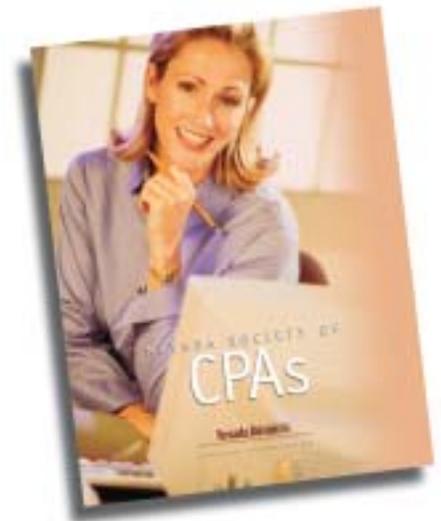


What factors are affecting Nevada's architecture firms? Find out in this overview of their profession.

Photo: Opulence Studios

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# POWER HITTERS



## NEVADA'S "A" TEAM

BY RUTH FURMAN

The “power hitters” profiled in this issue are different individually, but share much in common. Several of the power hitters told of their “barks” being worse than their “bites.” Others listed fascinating hobbies. Still others shared interesting stories about their ascent to the top in their chosen professions.

For Jim Miller, of Reno’s Washoe Medical Center, perseverance paid off. Carol Harter of University of Nevada, Las Vegas (UNLV) dropped out of college before going on to pursue multiple degrees. Dr. John Lilley traveled to so many states that he calls himself an academic gypsy, before happily landing at University of Nevada, Reno (UNR).

The power hitters treasure their families and value their team members. “Giving back” is a value that runs deep for all, and many chose an example of enriching the community as their greatest accomplishment or proudest career moment. Most of our power hitters were modest to a fault. R&R Partners’ head honcho and lobbyist, Billy Vassiliadis, doesn’t like to talk about himself, preferring instead to tout Nevada. Other power hitters took delight in giving compliments to each other, such as good friends James Rogers and William Martin – a veritable mutual admiration society. When asked about his biggest accomplishment, Irwin Molasky talked of both his wonderful family and the Nathan Adelson Hospice, which he helped establish. Being true to themselves, dedicated to Nevada – that’s what it takes to be a power hitter.

*Nevada Business Journal* asked leaders in various segments of the state’s economy to suggest some powerful individuals in

their industry or profession to be profiled. Inquiries also went out to business consultants, local chambers of commerce and economic development agencies. We had originally selected several gaming/resort individuals to profile, but because of their busy schedules, especially in light of recent merger activity, none were able to answer our requests for interviews before press time. The 15 people profiled here are “Power Hitters” in business, in politics and in their communities. The state is lucky to have these All-Stars in our lineup.

### FINANCIAL SERVICES

**Player:** Steve Garofalo  
**Position:** President and CEO  
**Team:** Citibank (Nevada)  
**Years in Nevada:** 6  
**Number of Employees:** 2,400

Nevada is a place rich with opportunity, according to a leader of a thriving banking and credit card organization. “I love Nevada,” said Steve Garofalo, president and CEO, Citibank (Nevada). “Given the rapid growth in the state and the excellent economic climate, there is the opportunity to shape a great future here.” Citibank started in the state with a small call center of fewer than 200 employees and has grown its credit card operations center to a multi-functional facility for Citigroup and Citi Cards, including consumer finance, retail banking and brokerage divisions. Citigroup is a forward-thinking organization in regard to families and, in 1991, opened the first on-site corporate childcare center in Nevada. “We are also very proud of our employees’ and our institution’s track record on volunteerism and giving back to the community in

which we live, work and raise our children,” said Garofalo. “Building and maintaining employee loyalty over the long term also builds customer loyalty – a key to success in our industry.” Garofalo said Nevada has much to offer in the business arena, including a growing telecommunications industry. “However, if we are to attract tech professionals to the region, we must improve our fundamental building blocks: education and an educated workforce, healthcare and our cultural environment,” he added.

**Player:** William E. Martin  
**Position:** Chairman, President and CEO  
**Team:** Nevada State Bank  
**Years in Nevada:** 23  
**Number of Employees:** 832

Brad Pitt – in a Nevada State Bank commercial? William Martin, the chairman, president and CEO of Nevada State Bank has convinced more than one “fan” that it is Pitt promoting the bank – not Martin – in the television ads seen round the state. “Some people believe me,” said Martin, who has a well-deserved reputation as a practical joker. But Martin is known for more than the ad spots. He was named the 2003 Distinguished Nevadan by the University and Community College System of Nevada and was honored in 2001 and 2005 as one of the state’s “Most Respected CEOs” by *Nevada Business Journal*. The 23-year resident of Nevada said his biggest accomplishment came in 1973. As the National Bank Examiner-in-Charge, he uncovered the largest-ever bank fraud and bank failure at the U.S. National Bank of San Diego. Martin said he’s seen firsthand that great

things result from treating all people with respect. The man with 832 employees statewide said only one person will be the focus of his next big project. Martin, who married his wife, Denise, in April, joked that he'll be working to make his wife realize what a wonderful guy she married. "It may prove to be my biggest project ever," he said.

**Player: George W. Smith**

**Position: President**

**Team: Bank of America Nevada**

**Years in Nevada: 13**

**Number of Employees: 2,000+**

The "Can Do" Silver State? For George Smith, president of Bank of America Nevada, it's the only slogan that makes sense. "The wonderful pro-business attitude in Nevada makes our state the best in which to do business," said Smith, 47, who also serves as the bank's commercial loan executive for Nevada, New Mexico and El Paso, Texas. Smith and finance go back to 1982, the year he earned a bachelor's degree in the field from California State University, Fullerton. Three years later, he earned his master's degree – same school, same subject. Since then he's made his mark in the banking world, with stops at Citicorp North America, Mitsui Manufacturers Bank and Bank of America – all in Los Angeles. These days, he oversees the bank with the top retail market share in Southern Nevada. "My biggest accomplishment is helping to create a strong and seasoned team of bankers who every day help our clients achieve their financial goals," said Smith, who plans to accomplish even more in the next two years. Over the next 24 months, Bank of America will develop more than 10 state-of-the-art banking centers focused on customer interaction.

## EDUCATION

**Player: Dr. Carol C. Harter**

**Position: President**

**Team: University of Nevada, Las Vegas**

**Years in Nevada: 10**

**Employees: 2,800**

It's a little-known fact that the president of UNLV said "I don't" to college and dropped out to say "I do." But Dr. Carol C. Harter – and her husband, Dr. Michael T. Harter – quickly redeemed themselves, collecting six degrees while raising their

sons, Sean and Michael. Creating the UNLV William S. Boyd School of Law and the UNLV School of Dental Medicine stand out as key accomplishments. She said the only two such professional schools in the state are highly regarded among national professional schools. "While building an excellent core of traditional programs, we have also worked to capitalize on Nevada's assets by creating educational programs that build on our state's successful industries," said Harter, who added that "it makes perfect sense," that the William F. Harrah College of Hotel Administration is the top-ranked hospitality program nationwide. As Southern Nevada grows, so does UNLV's student body. While Harter said funding cannot begin to keep pace with growth, solutions are in the works. "We are engaged in UNLV's first major capital campaign. Private sources must be available to create excellence in programs across the board," said Harter, who also looks forward to the "Midtown UNLV" initiative, a public-private effort aimed at creating a "synergistic" university district.

**Player: John M. Lilley**

**Position: President**

**Team: University of Nevada, Reno**

**Years in Nevada: 4**

**Number of Employees: XX**

For UNR President Dr. John Lilley, success starts with faculty, and one of the best measures of success is the dollars faculty members earn through competitive grants. Last year, UNR's faculty raised \$120 million competitively. Lilley assumed the presidency of the University of Nevada Reno, the state's historic flagship research and land-grant university, in 2001. He has initiated a comprehensive strategic planning process for the university, collecting the best ideas and allocating operating dollars and physical space accordingly. UNR has faculty in all 17 Nevada counties, and Lilley loves the scale of life in Nevada. "Government leaders and economic leaders are very accessible here," Lilley said. "As a result, anyone who comes to Nevada has the opportunity to make a major impact." Lilley's goal for UNR is to become better. "It's not enough simply to become bigger." Toward that

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end, projects include raising money for endowments, a new knowledge center and student union. Also planned is a new campus in South Reno – the Redfield campus, a collaborative endeavor with the community college system.

**Player: James E. Rogers**

**Position: Chancellor**

**Team: UCCSN**

**Years in Nevada: 55**

**Employees: 13,711**

Business leader James E. Rogers approached his new endeavor as the ninth chancellor of the University and Community College System of Nevada with the gusto he is known for, focusing heavily on public-private partnerships and bringing new dollars to higher education in the state. It's familiar terrain for Rogers, who found he was donating more of his time and resources to higher education than ever before. "There are not a lot of people out there interested in raising money for public institutions," he said. Retirement is a foreign concept to the 66-year-old, who described himself as a man of no patience. Furthermore, Rogers opined that many

business people in the state gripe about quality of education, but stand outside the fence. "Las Vegas and this state have more managerial talent per capita than any place else in the world." He commended business leaders like William Martin, Glenn Schaefer and the Greenspun family for their commitment to education in the state. Rogers said a closer alignment and partnership between higher education and K-12 education is planned, with private funding steering the way. Private funding will also contribute to investments in university faculty and to scholarships to entice deserving students.

**REAL ESTATE DEVELOPMENT**

**Player: Norm Dianda**

**Position: President**

**Team: Q&D Construction**

**Years in Nevada: native (65)**

**Number of Employees: 900**

The Silver State offers a golden opportunity for business owners, according to Norm Dianda, a Nevada native and president of Q&D Construction, a Reno-based company with 900 employees. "We have

an abundance of business leaders who have vision and can-do attitudes, which helps give us a dynamic economy," said Dianda. A well-known supporter of prudent economic development in Northern Nevada, Dianda has advocated improved construction delivery systems, such as design-build and design-assist. "This is a great place to work while you're raising your family and enjoying recreation," Dianda said. He and his wife Laura have two grown sons, Mike and Chris, and a grandson, Joey. The leader has given time and money generously to support youth education, perhaps prompted by his first mentor, a shop teacher who exposed him to the joy of building and impressed on him the importance of doing something right the first time. Among his own business accomplishments, Dianda cited his growing his company to No. 147 in *Engineering News-Record's* "Top 400." The next big project for Q&D's operations has the company moving the Artéfice by Dianda millwork manufacturing facility from Q&D headquarters to its new location in Sparks so Q&D can remodel and

*Continued on Page 44*



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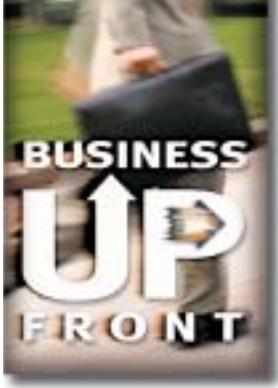


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## TWELVE PROVEN RULES FOR SALES SUCCESS

Stephan Schiffman, president of D.E.I. Management Group, Inc. and author of several books about selling, offers the following 12 rules for sales success:

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2. Schedule sales appointments for early (8 a.m.) or late (4 p.m.) in the work day.
3. Follow through immediately on thank-you letters, letters of agreement and internal paperwork.
4. Set two new appointments every day.
5. Strategize with your sales manager on a regular basis. Ask for help – and be ready to use your boss as an advocate within the target organization.
6. Don't kid yourself.
7. Create a sense of urgency in all your communications. This is your job, and no one else's.
8. Be honest. People won't give you repeat business if they don't trust you.
9. Know 10 client success stories and be ready to share them at the drop of a hat.
10. Decide on your opening question for the meeting. Don't walk into the meeting without a plan.
11. Decide on the next step you want to take and ask for it directly. This, too, is your job and no one else's.
12. Always get the prospect to do something: another meeting, a visit to a facility, a conference call. Something has to land on the other person's calendar, preferably for a slot within the next 10 business days.

## RETAILERS SPEAK OUT ON INDUSTRY TRENDS

Retailers revealed a positive industry outlook at the Spring 2005 Retailer Survey, conducted at the recent International Council of Shopping Centers (ICSC) convention in Las Vegas. According to the survey:

- Retailers expect an average 4 percent increase in same-store sales for 2005.
- They predict an average 5.4 percent rise in holiday shopping dollars, compared to last year.
- Retailers indicated average expansion plans of 9.1 percent for their companies in 2005.
- About 65 percent predict the economy will stay about the same throughout 2005.
- The aging population, Internet shopping, rise in the "tween" market and rise in the multicultural market were selected as the consumer trends likely to have the most impact on retailing within the next five years.
- Despite the increasing popularity of outdoor and lifestyle centers, more than half (54 percent) of the retailers selected enclosed shopping centers as the most productive retail format for their company.

## SILVER PRICES REACH 17-YEAR HIGH

The silver price in 2004 staged a dramatic rally, rising a robust 36 percent to average \$6.66 per ounce, according to *World Silver Survey 2005*, released recently by the Silver Institute and GFMS Limited. Through the first four and a half months of 2005, the price averaged \$7.00 per ounce. This price increase reflects fundamental changes in silver's supply/demand balance, according to the report. Last year also saw a boom in investor activity, mainly driven by funds operating on futures exchanges and considerable interest from high net-worth individuals.

Overall mine production registered a 4 percent increase in 2004, with Mexico, Peru, Australia, China and Poland the top five silver mining countries. Much of the growth in industrial fabrication was driven by the electronics sector, whose demand for silver rose by almost 14 percent.

## ARE YOU LIABLE FOR EMPLOYEES' MEDICAL EXPENSES?



Governor Kenny C. Guinn recently signed into law Senate Bill 116, which makes employers liable for employees' medical expenses if the employer fails to properly notify employees that their health insurance has been cancelled. The law requires that employers who cancel health insurance coverage for employees must notify their workers in writing 10 days prior to canceling the policy. Employers who fail to do so can be held responsible for paying the employees' medical bills up to the amount of the premium. Previously, employers who failed to comply with the 10-day notification requirement could be fined up to \$5,000 by the state labor commissioner. "In the past, if an employer was fined for canceling health insurance without notifying employees, the state treasurer got the money, and the employee had to foot the medical bills," said Nevada Labor Commissioner Michael Tanchek. "Now, employees who don't have a fair chance to at least make other arrangements can get some of their expenses paid. As long as an employer notifies employees 10 days in advance of the cancellation, the employer is within the law and the penalties would not apply."





## Mike McCabe

Vice president of leasing  
DP Partners  
Reno

Years in Nevada: 48

Years with Firm: 8

### Type of business

Industrial development

### Biggest business challenge

Bringing a build-to-suit 250,000-square-foot industrial facility to occupancy on a nine-month timetable without an executed lease or a selected site, with a winter



design, permit and build construction schedule. It was exciting, and certainly a challenge with a record Indiana winter in 1996. The good news is, we were able to meet it and succeed. It was definitely a character-building project.

### What do you like best about your job?

Ours is a relationship business, and the long-term relationships one builds are extremely enjoyable and rewarding

### How do you spend your time when you're not working?

I enjoy boating and camping with my family and watching my two children, Melissa and Ryan. I also like playing sports like basketball, volleyball and soccer and enjoy working on classic and modified cars.

### Favorite Business Book

*Why Smart Executives Fail and What You Can Learn From Their Mistakes*, by Sydney Finkelstein.

### Best Business Advice:

Stick to basic principles of what is right and ethical, stand by your word and listen to the people you work with before drawing lines in the sand; once you do, don't waffle.

### How is DP Partners dealing with the rise in land prices?

Residential/commercial developers are jumping on traditionally industrial property and applying for zoning and use changes. Our challenge is to be ahead of the curve through close consultation with our clients and to stay out in front of the changes required in their supply chain.

## Susan Drongowski

CEO and president  
Nathan Adelson Group  
Las Vegas and Pahrump

Years in Nevada: 15

Years with Firm: 11

### Type of business

Non-profit hospice and palliative care organization providing comprehensive end-of-life care and counseling services

### What do you like best about your job?

I am very privileged to work with healthcare professionals who are deeply passionate about their role in serving people who are at the end of life's journey.

### How do you spend your time when you're not working?

I relish being outdoors: golfing, hiking and gardening. I also love to travel.



### Favorite Business Book

*Good to Great*, by Jim Collins.

### Best Business Advice:

Maintaining a healthy balance between your personal and professional life allows you to make a greater contribution in your professional role.

### What would you like your legacy to be?

I would like to be remembered as someone who had a positive influence on our healthcare delivery system, particularly the way we care for those who are the most vulnerable.

### How has your organization kept pace with the growth of Southern Nevada?

Nathan Adelson Hospice has grown with Southern Nevada for the past 26 years. It has expanded its program to another in-patient facility on the Northwest side of town, and its home hospice division now includes Pahrump. Presently, it is finishing plans for a new inpatient unit and adult day care center in Henderson. With more than 325 employees and 200 volunteers, NAH stays attuned to the shifting market and growth needs through programs such as the Multicultural Resource Center to reach out to the diverse ethnic population.

# Embrace the Inner Techie

## Nevada Companies Adopt 21st-Century Technology

BY JENNIFER RACHEL BAUMER

The day is fast approaching when businesses' high-tech needs all come together – when phone, fax, e- and voice mail come together and paperless offices operate wirelessly and securely.

Welcome to the 21st century. There's just one snag – you have to know how to use all this technology, how to make it integrate and work together. People who work in technology make it look easy – but what about the rest of us? How are non-tech companies adapting to the brave new world of technology?

### FIRST CONTACT

"We've lost information...our system is infected...someone has broken in and compromised our security." Security or disaster recovery scenarios usually cause the first call from a new client, said Garlyn Norris, president of FAL-IT, an information technologies group that handles general management of network systems, taking care of companies' computer-related problems.

Companies expanding or relocating are also apt to find themselves in over their heads trying to set up computer networks. "Often people don't take into account all the technology aspects of their business, which are more complex than they think – hooking up computers, integrating e-mail and accounting systems, scanning systems, Internet and security systems," said Norris.

Other times businesses contact FAL-IT looking for the newest, hottest tech. However, "The newest, hottest things may not necessarily be what people need," said Norris. Happily today's executives are doing their research before they buy, rather than insisting they have to have the newest technology whether or not it will work for them. Norris reported, "I've been in situations where you have to tell the client, 'The newest, hottest thing is not a benefit to you or is not going to work for

you – at all. Even if it does, you're exposing yourself to X risk, Y risk and Z risk. If you have an understanding of the risk, then you can have the reward of the new technology; otherwise you may need to wait for the newer technology that fixes those problems."

Wireless is a good example. Everyone is excited about wireless, Norris said, but it poses some serious security problems and it doesn't work for every business model. FAL-IT is a subdivision of accounting firm Fair, Anderson & Langerman, which has no wireless system at its office due to the amount of sensitive digital client information it stores. "We house so much personal and private information that the security risks negate the benefits of wireless," Norris explained.

### TAKING UP CYBERSPACE

One technology that actually enhances security while reducing overhead and improving efficiency is the paperless office. Changing hardcopy data into consistent digital archives is the current newest, hottest thing. Valuable data becomes retrievable, available and secure, while creating uniform processes in business for collaboration and for transmitting information.

DocuMetriX, a division of MuniMetriX Systems Corp, works with businesses to achieve paperless offices – anything from streamlining work processes to actually getting rid of all those old boxes of files nobody ever uses. DocuMetriX helps companies decide whether records are accessed enough to make it worthwhile to scan documents and archive them digitally, or if a storage facility for hard copies is more cost-effective.

Archiving documents can help companies reduce overhead. Digitally stored documents aren't paper files taking up storage space. One Reno medical clinic

switched from paper records to archived documents and took back a full room to use for patient exams.

The paperless office increases efficiency. Studies have shown a 20 percent increase in efficiency in organizations that have gone to electronic document management systems. People are no longer spending time looking for lost documents and file folders. There's additional savings when companies are no longer spending money for paper, toner and staples. "People running the business are concerned about the bottom line. The reduction in overhead and increase in staff efficiency make current staff more productive so the company can serve more customers with existing staff," said Bruce Rector, president, MuniMetriX Systems Corp. Another factor to consider is that customers have come to expect instant access; companies whose employees don't have necessary information at their fingertips when customers call may lose out to companies that do.

Rector believes digital records are more secure than hard copies. Physical records destroyed in a disaster can mean a company loses everything. Many companies now save records internally to their own password-protected, firewall-protected servers, rather than the Web with its inherent threats. Today's companies need to protect their data, storing it off-site in secured facilities. Any network system with online capability runs the risk of corruption and data loss. "The level of concern for data backup is in direct correlation to how important that data is," said Rob Roy, president of Switch Communications Group, which provides collocation, bandwidth and connectivity services. Network and computer security keeps getting better, but viruses have become a secondary threat compared to exploitations, which

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allow a rogue user to gain full control of a computer. “Viruses threaten to destroy data, whereas exploitations control data,” Roy explained. “Much more power is gained from control.”

But the Web isn’t just a big scary place where hackers and viruses wait to attack the unwary. Websites are marketing tools, and businesses need to decide whether or not a Web presence is valuable.

**MAKING WAVES IN CYBERSPACE**

Does your company need a Website? “Do your customers care? Will they look for you on the Web?” asked Doug Van Aman, marketing consultant. “If the answer to that second question is yes, then you should have a Website, because your competitors will. It’s a part of your defensive posture: ‘If my competitor has one, I should too, because otherwise they’ll capture a customer I cannot.’”

Increasingly, when people need a local service, they look online. Having a Website means controlling the available information – hours of operation, products, high quality, low cost: everything the competition is listing on their sites.

Bryan Landaburu, president, Fuze LLC, a Web development and strategy company that also provides marketing services, thinks most companies can benefit from having a Website. However, most don’t know what they want from one. “The biggest consideration when starting or enhancing a Website is getting everyone in the organization to agree: at the end of the day, if we bring this thing online, what is our clear goal?” said Landaburu.

And if the goals number one through 20 and the budget covers one through three, businesses need to prioritize and tackle the most important things first. “As we move along the road map of design, let’s not paint ourselves into a corner for steps four through 16,” said Landaburu. “We have to make sure we can plan for these things, but let’s start with one through three and take each step along the way and continue to make sure what we’re doing is right.”

Whether or not a company has its own Website, it will still need online access. What kind of broadband or high-speed connection does a company need?

“The faster the better,” said Roy. Although the amount of pipeline a company has is controlled by cost, the benefits offset the price.

And we’re not just looking at simple online service anymore. In the past, most businesses maintained separate services for telephone, voice mail, Internet access and e-mail. Today’s technology is integrating them into one system. “The tech phrase for this is VoIP,” said Dan Jacobsen, executive director, SBC Nevada.

Voice Over Internet Protocol. Imagine logging on to your computer and checking your voice mail, which is translated into text. Sending faxes directly to your computer. Using your e-mail address book to store phone numbers – click the contact to dial and make the call from the computer over the same high-speed, broadband connection.

“Because it’s Internet-based, anywhere you can make a broadband connection, you can have the same capabilities you have in the office,” said Jacobsen. “You may be traveling or in a hotel room. If you have a laptop with an antenna and wireless broadband connection, you have the functionality you normally have at the office, with a phone list and files on the computer and e-mails and incoming faxes and voice mail – it’s all right there.”

One challenge companies can ultimately face is over-reliance on technology. Checks and balances need to be put in place. If all business processes become electronic and the Internet becomes everything to everybody, when the Internet goes down, it takes with it phone, fax and security systems and the ability to communicate. “Take those four systems out and you may as well go home,” said Norris.

Today’s business owners are educating themselves, learning more about the newest technologies. “In the past, many people were just buying technology; today, more owners and principals are understanding and embracing technology in order to make better decisions,” said Norris.

Which changes the relationship between the IT industry and the end-users. “We used to say, ‘You need this and this and this,’ and they’d say, ‘Okay, how much will it cost?’ and blindly sign away, not really understanding what they were doing,” he added. “The better educated clients become, the more it forces us to prove our theories and realistically be able to validate and stand behind the solutions we employ. It puts us in a business relationship instead of being just a repair service.”

# INDUSTRY FOCUS



## BANKERS Facing Business Challenges

by Kathleen Foley

**B**ankers in Nevada deal with some of the same challenges faced by executives in other professions – for example, keeping up with growth, finding and retaining qualified employees, and battling competitors. They discussed these topics and others unique to banking, such as security problems and political issues, at a recent luncheon held at The Stirling Club in Las Vegas. The roundtable was a part of *Nevada Business Journal's* Industry Outlook series. Connie Brennan, publisher of *Nevada Business Journal*, acted as moderator. Participants were first asked to introduce themselves and give an overview of their bank and some of the challenges it faces. Following is a condensed version of the roundtable discussion.

**Kathy Maynor:** Nevada Commerce Bank is a five-year-old bank with about \$125 million in assets. Our greatest challenge is managing growth. We've been growing about 25 to 30 percent each year, and that's been a challenge for us.

**John Gaynor:** Bank of Nevada is a \$250 million bank, open roughly five years. Our biggest challenge right now is finding funding sources for our loans.

**Robert Hemsath:** I'm president and CEO of Northern Nevada Bank, and we're about five years old as well. Our biggest challenges are growth, finding qualified staff and managing the ever-increasing burden of compliance.

**Pete Atkinson:** Black Mountain Community Bank is part of the Capitol Bancorp Limited group. We had our fifth anniversary about three weeks ago, and we have assets of about \$120 million. It's hard keeping up with growth, but finding the talent to keep our banks going and ensure succession is probably one of my biggest challenges. I made my first trip to Washington D.C. last week with Nevada Bankers Association and got a little taste of what the political side is like.

**Jim Howard:** Desert Community Bank opened up a little before Black Mountain did, and we're also part of the Capitol Bancorp system. We're a \$75 million bank now. Our biggest challenge right now is finding talent. We've had to go outside the state to bring in staff. Other than that, we're having a great year. Growth has been extraordinary.

### FRONT ROW (LEFT TO RIGHT):

Larry Woodrum	BankWest of Nevada
Kathy Maynor	Nevada Commerce Bank
Jim Howard	Desert Community Bank

### SECOND ROW:

Ray Lancaster	KeyBank
Arvind Menon	Nevada First Bank
Edward Jamison	Community Bank of Nevada
Pete Atkinson	Black Mountain Community Bank

### THIRD ROW:

Barry Hulin	Valley Bank
John Guedry	Business Bank of Nevada
Ken Ladd	U.S. Bank

### TOP ROW:

Robert Hemsath	Northern Nevada Bank
John Gaynor	Bank of Nevada



Photo: Opulence Studios, Inc.

**Larry Woodrum:** I'm president and CEO of BankWest of Nevada. We're about 11 years old. Our challenges, like all the rest of you, are finding qualified people and managing the outstanding growth over the last three or four years. My biggest goals are to keep our niche, and keep it simple. It's hard to do.

**Ed Jamison:** Community Bank is almost 10 years old. Just like every one of you, staffing is very important to us, but our new challenge is to be in compliance with all the regulations and reports required of

a public company. We went public last year, so we're still learning how to navigate through the public market.

**Ray Lancaster:** I'm senior vice president of KeyBank, which is a \$95 billion bank. We've been in the Las Vegas market a little over six years, and we issue about \$400 million a year in income property loans. We face two challenges: One, Las Vegas is appearing on the radar screens of more lenders than in the past, so we're finding a little more competition than we used to see; secondly, borrowers have become

more sophisticated, which makes it a little more difficult in terms of the kind of people we need. They have to be able to handle not only construction loans, but equity, permanent financing, hedging and other derivatives, so it's creating a little more of a challenge.

**Barry Hulin:** Valley Bank is 6 1/2 years old, with assets of \$300 million and three branches. Like Ed's company, we went public last September. The challenges of being a public company are really quite astonishing, but I think on balance it's been a good thing for our shareholders and for the original investors.

**John Guedry:** I'm president and CEO of Business Bank. We're about nine years old, with \$380 million in total assets. Finding qualified, trained people seems to be getting tougher and tougher. We try to do some "home growing," but that's difficult and it takes a lot of time, so I'm curious to hear what you're all doing to address that.

**Arvind Menon:** Nevada First Bank has been open a little over seven years. We have about \$380 million in total assets. Our biggest challenge is the same as John Gaynor's. We have all the loan demand we can handle, but we can't keep up with the deposits. Our loan-to-deposit ratio is close to 100 percent, so it's tough.

**Ken Ladd:** I'm regional president for Arizona, Nevada and Utah for U.S. Bank. We're a \$191 billion, 24-state national bank. I face two challenges: One is to maintain the structural integrity of a lot of the loans. The asset growth of many of the bigger banks is not keeping pace with what the street is, so they're not only giving away price, but we're also giving away structure, which is real difficult. And, I know where you guys are getting employees from, so my other biggest struggle is not having you all steal my staff.

*(Laughter)*

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**Connie Brennan:** *(Nevada Business Journal):* The first item on the agenda is staffing. At what level are you having problems recruiting people?

**Gaynor:** Commercial lenders, loan processors, real estate – it's across the board.

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**Brennan:** Are you going out of the market to get those people?

**Gaynor:** Yes, we almost have to. But, bringing somebody from out of the market causes two problems: One, it takes them a while to get up to speed and learn the market; secondly, they don't bring clients with them. So, we've taken a different approach. We hired a young man in his second year at Loyola Marymount and created a mentorship program for him. He came in and worked during the summers. He's going to graduate next month, and he's already gone through our in-house training program. We're going to start him right in as an analyst and move him into a lending position. We decided we're going to start "grooming" our own people. That way, we don't have to break their bad habits. We can give them our own bad habits.

**Brennan:** What do you do to keep those valuable employees? Is there job-hopping going on, where someone will leave for an extra thousand dollars?

**Guedry:** Yes, but it's going to cost more than that. All of us sitting around this table have had other people talk to our lenders about going over to their company.

**Brennan:** Robert, is that a problem in Northern Nevada as well?

**Hemsath:** It's very prevalent up north. It's a much smaller market, so everyone's known, and the good lenders are very visible in the market. People are making a run at those good lenders all the time, so trying to keep them is very difficult.

**Brennan:** Has this always been a problem, or is it something new?

**Howard:** It's getting much more intense now, and the commercial lenders are making the rounds between us. They're starting to command some incredible dollars in this marketplace, to the point where if we were smart, we'd probably drop back and become lenders ourselves.

**Woodrum:** Give me a call – I may have a spot for you.

*(Laughter)*

**Brennan:** Do you think it will get worse before it gets better?

**Howard:** Unless there are more mergers pretty soon, it's bound to get worse.

**Hulin:** With the sheer number of banks here now, competition has gone up quite a bit.

**Atkinson:** There used to be a dozen regional banks with training programs, and

they'd take MBAs straight out of school. After they trained them for two or three years, we could hire them. A lot of those banks are gone now, and I don't know of any big banks, except maybe Ken's, who are doing some training for us.

*(Laughter)*

**Brennan:** Is it a big problem for you, Ken – training them and then having them get stolen out from under you?

**Ladd:** Well, it is not a localized problem. The talent pool in Arizona and in the entire West is thin. I opened up 50 branches in Arizona last year and went from about 30 employees to 600 employees in 12 months. My colleagues in the Midwest report the same thing, because the training programs have gone away. Some of us have gone back to training on the commercial side. One of the problems, though, is when you train commercial lenders, they sometimes don't see the whole picture. Because they haven't come up through the ranks, they don't "get" banking as a whole. Some of us here have a few gray hairs, and when we started out, you might begin as an operations officer, then a lender, then you went to branch

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management, then to a specialized department such as gaming or national accounts.

**Brennan:** Do you find, when hiring younger people, that they have a different work ethic?

**Gaynor:** Absolutely. Today, college graduates will give you their undivided attention from eight to five, and at 5:00, it's, "Now I have another life." It used to be, if the president of the bank sent a memo asking you to attend a concert or a charity event, you were honored to get invited to represent the bank. Today they'll say, "Gee, I'm going to go drink with my friends, so I don't think I'm going to do it." They're not as willing to do the things we all have done in the past. Maybe that's not true in every case.

**Hulin:** I think that's across every industry. People have discovered that the concept of loyalty has been a one-way street. People work for 20 or 30 years for a company, and one morning they wake up and they're out of work and their pension's gone. This generation saw that happening to their parents and said, "Hey, I'm not interested in that."

**Atkinson:** I think we did it to ourselves. Most of us planned to stay where we started till we retired, and then the mergers started happening. No matter how good a job you did, you're either laid off or you're reposting for your job with a new corporation. I don't think it's just banking, but we certainly did it to ourselves, and the next generation picked up on that.

**Gaynor:** People started to get fed up with all the layoffs during the mergers and we lost some very good bankers to other industries. We shot ourselves in the foot.

**Hemsath:** It also adds to the problem of attracting young talent into our industry. Banking used to be known as a very stable, secure industry to work in. Once you were in, if you did a good job, there were opportunities for advancement and there was some security.

**Hulin:** But it took 10 to 15 years to become vice president.

**Hemsath:** The younger generation now want to come in as vice president.

**Howard:** When I interviewed with a bank my first time, the last thing on my mind was asking what my vacation benefits might be. I just interviewed a girl from UNLV to be an intern for the summer, and the first thing she wanted to clear up was how much time



off she would have before she started. And she demanded \$17 an hour to be an intern or else she was not interested. So things have clearly changed generationally.

**Maynor:** I want to respectfully disagree regarding young people entering the banking world. My experience has been very positive. I have found college graduates to be very dedicated. They're willing to take on challenges and seem to enjoy bank classes and training. They are also willing and excited to attend business functions on behalf of the bank. I am very impressed with our young bankers.

**Woodrum:** Those are all opportunities and challenges. That's what keeps us young. I learned a long time ago to be very flexible

and work with young people and be loyal to them. Be loyal to your employees and you get a pretty good return on it.

**Brennan:** Has the staffing shortage forced you to put in place more retention programs for your people? Obviously, you have to pay them more, but are there other things?

**Hulin:** That was actually one of our considerations in going public. We've now got a currency that somebody can identify the value of, and we plan to use it aggressively to recruit and retain people. There may be some value there that you don't have as a private company.

### BANKS VS. CREDIT UNIONS, CONTINUED

**Brennan:** The next item on the agenda is competition with credit unions. You may have read the roundtable discussion we had in our May issue in which credit union representatives told us their side of the story. They seem passionate about their position, and they're convinced the banking industry is out to get them. Pete, you were in Washington, D.C. Was that topic dealt with there?

An advertisement for The Aliante Fire Station project. The background is a yellow-tinted photograph of a man wearing a white hard hat with the 'KORTE' logo and a yellow polo shirt. He is looking slightly to the right. In the background, there are modern buildings and a clear sky. The text is overlaid on the image. At the top, it says "The Aliante Fire Station. Built by people who know what it's like to put out a few fires." Below that, a paragraph describes the project: "Sometimes really impressive work isn't what is poured or painted -- but what is managed. Take, for example, the Aliante Fire Station in North Las Vegas. This design-build project included extensive criteria regarding space, durability and functionality even though there was an equally important need for timely, cost-effective delivery. The Korte Company managed the project to a successful and smooth finish. The client was impressed. The firemen sleep easier. Most of the time. To see how The Korte Company can help you, call 702.228.9551." At the bottom left, contact information is provided: "9911 Covington Cross Drive • Suite 104 Las Vegas, NV 89144 • www.korteco.com". At the bottom right, the Korte logo is displayed with the tagline "Build smart." and a lightbulb icon in a circle.



**Atkinson:** It was a major topic. The first morning we were there, we met with the ABA's (American Bankers Association) headquarters staff, and the first two hours were spent discussing credit unions. They had several brochures, and Bill Uffelman (head of the Nevada Bankers Association) and I took them with us when we visited the D.C. offices of Nevada's representatives. We met with staff members of both U.S. senators and all three congressional representatives, and they all told us the same thing: "We know it's unfair, but essentially we're not sticking our necks out." They didn't use the term "sacred cow" but, we sure got the impression that, even though they knew credit unions had a tremendous advantage over us, they weren't willing to go to bat for us, which I found a real surprise.

**Gaynor:** The credit unions' shareholders, or whatever you want to call them, see this as a passionate issue. If you're a congressman or a senator, for every letter you get from a banker, you get 10,000 letters from a credit union. We could probably put a petition in our lobbies, but it's not an issue with our customers. To the credit unions, it's like you're trying to pull their grandmother's teeth. It's really personal. The bankers have all along said that we have no fight with the mom-and-pop credit unions that are staying within the common bond. It's the trillion-dollar industry we're talking about, with these huge mega-credit unions that literally are banks, and they're not paying any taxes. That's our biggest complaint.

**Hulin:** I'm amazed bankers spend so much time worrying about credit unions. It is so irrelevant to what most of us do on a day-to-day basis. You are never going to change it. There are tens of millions of members of credit unions. The ABA has one guy who spends his whole life fighting credit unions. I don't get it.

**Woodrum:** I don't either.

**Howard:** I think it's relevant, but I agree it's pointless, because we're never going to touch it. Like Pete just said, you're never going to find a politician who will stick his neck out. Not one.

**Guedry:** If they operated within the framework of how they're supposed to operate, nobody would have a complaint. They want to be a commercial bank and still have all the benefits of a credit union.

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**Jamison:** The SBA (Small Business Administration) has allowed credit unions to be preferred lenders. They're making SBA loans, and they will use up the allocations because they'll give the loans away. That whole market is going to change over time as these big credit unions decide the SBA is a good vehicle for them to deploy money to the commercial sector, which they will do. They're basically giving away rates. They're retaining the credits – they're not selling them to secondary markets – so there will be no secondary market for SBA loans. Then we won't be able to make SBA loans because they'll have used up a lot of the allocations. So an institution that's paying its fair share of taxes wants to go to work for the government-subsidized programs, and it won't be able to because the nonprofit credit unions are using that allocation.

**Atkinson:** I think they'll get bigger and bigger pieces of several markets. Up to this point they probably haven't been much of a problem for us, but I think it's just beginning.

**Jamison:** It's not the consumer or residential side, it's the commercial side.

**Howard:** The mega-credit unions are getting fairly sophisticated in what they're doing, but the medium-sized or smaller credit unions don't have the expertise in commercial lending and they're going to start failing. When that happens, they might obtain enough notoriety to get a bad reputation.

**Hulin:** But they do have a wonderful facility for covering up. There's a credit union in Las Vegas that has been around for 40 years that lost every penny – 40 years worth of retained earnings – and got to the point where its net worth was zero. Did you read anything about it in the newspaper? No. They got caught up in a CD (certificate of deposit) scam in the Midwest. But they circled the wagons and they took care of the problem somehow.

**Brennan:** Do you believe that they're going to continue to cut into the market?

**Guedry:** Absolutely. Why wouldn't they? However, as they get into arenas they don't have expertise in, and they have failures in those arenas, something's going to have to be done about it. They might be able to cover one or two failures, but not multiple failures. I think that's why we



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continue to talk about it. We may not have the political clout to change it, but we need to make people aware that this is a potential problem.

**BANK TAXES: HERE TO STAY?**

**Brennan:** Let's talk about the state taxes on banks that Nevada passed in 2003. Banks had to pay a higher rate for each employee, and also a tax for each branch. Are the bank taxes always going to be here, or are they going to go away?

**Guedry:** The Nevada Senate is recommending that it be a balanced tax, that all businesses pay the same; the Assembly doesn't agree, so I guess time will tell.

**Hulin:** There's been a move to exempt rural branches from the branch tax.

**Guedry:** In the very first session after it was made law, they were already talking about exempting certain companies or certain industries from the overall definition, and changing some of how it's applied. We may eliminate the branch tax for markets under 50,000 population, and lower the payroll tax for markets under 100,000 in population. What will this look like in 10 years? It will be so botched up



and chopped up you're going to need legal counsel to know what your tax really is.

**Gaynor:** That legislation passed at the 12th hour. All of that happened the last couple of days of the session, and when legislation gets passed like that, nothing good comes out of it. Now they're starting to see that it really wasn't fair and equitable. It just was bad legislation.

**Brennan:** Do you think eventually it will go away?

**Guedry:** No, I don't.

**Menon:** I don't think so. It's like anything else: Once the government has its taste of taxes, I don't know how much it will be willing to repeal. Lawmakers are just finding ways to spend it now.

**Hulin:** Everybody else ought to be con-

cerned about the payroll tax now, because, obviously the next move is to jack everybody else up to the banks' level. It won't be the other way around.

**WHO'S FINANCING HIGH-RISES?**

**Brennan:** Over a hundred high-rise condo projects have been announced for Southern Nevada, and Reno also has some planned. When developers come to you for financing, how do you decide whether to make a loan?

**Several voices:** We don't.

**Ladd:** Jeremy Aguero (of Applied Analysis) says he's tracking about 107 projects right now and he thinks only about a third of them will get built.

**Hulin:** I think it's a disaster waiting to happen.

**Lancaster:** We have a commitment to do \$100 million in this market, but we're limited. We have a nationwide limitation on condos. Typically, in the ones we've done, there is a strong borrower who has capacity regardless of what happens to the market. We also require presales with substantial deposits. We have real concerns

*Continued on Page 34*



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*Continued From Page 24*

about how deep this market is, and we're currently doing only two projects locally.

**Ladd:** The ones that are getting financed are by developers who have a lot of experience in other markets. They have experience with a lender, and are bringing the money with them. We're not seeing them come to our office for financing.

**Hulin:** The problem a lot of them face is that they took all these reservations a year or 18 months ago, but the cost of building has gone up maybe 40 percent. Now they're stuck because they can't build for the price they sold it. They're going back and trying to renegotiate with those people. That could stymie a whole bunch of these projects.

**Guedry:** I don't know how deep the out-of-state buyer market is, but I've heard quite a few locals are investing and speculating on the appreciated value. They'll risk \$25,000 each for four or five units and hope the market continues to go up. If it doesn't, they'll walk away from it. So I think it's a very scary market. Even if a quarter of these projects get built, that's a pretty significant number of units coming on line for a market this size. I don't think they're going to continue to appreciate in value like they did with Turnberry and other early projects.

**Hulin:** Every market in the country where they build condos like this has had a problem. In Seattle, they built Pike Place Market and the units sat there for six or seven years before they sold. That happens. People get all excited and they overbuild. So you hope there are deep pockets behind them to carry them. If not, the second or third owner down the line is the one who ends up making the money.

**FRAUD: CHASING THE CHEATERS**

**Brennan:** Let's talk about fraud. How difficult is it to pass a bad check?

**Atkinson:** At a small bank like ours, it's very difficult. We only have one branch. We know everybody there. The banks that have 10 or 15 branches are much more susceptible than we are, because they're doing inter-branch activities where the tellers don't know who's coming in.

**Ladd:** It's a big issue and an expensive issue. The crooks are a lot smarter than we are and they're a lot more motivated. It's not going to go away. We're trying to implement as many things as we can to lessen the cost, but it's a cost of doing



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business. It's a very different problem here in Las Vegas than it is in someplace like Minneapolis.

**Maynor:** We're spending a lot of time and money educating our clients and our staff, but it's a pretty expensive item. It's our responsibility; that's how we see it.

**Brennan:** How many of you have had at least one holdup this year? I see four hands.

**Maynor:** Ask about attempted fraud. That's all of us.

**Brennan:** Does it happen on a daily basis, though?

**Maynor:** Just about.

**Ladd:** It happens on a daily basis.

**Brennan:** If I walk into your bank, and I'm trying to commit fraud, what happens to me if it's a \$5,000 check?

**Ladd:** Nothing. If fraud is committed in Las Vegas, in my opinion, if it's under \$100,000, Metro (Las Vegas Metropolitan Police) is so buried they won't even talk to you.

**Jamison:** You walk.

**Hulin:** We had a \$1.3 million loan fraud and it took 15 months for the FBI even to pick up the file. But when my Sahara branch got robbed, within two and a half minutes, I had eight FBI agents in my lobby. The guy got away with \$1,200. Obviously the concept of somebody coming into the bank and sticking a gun in somebody's face has a different priority than a very elaborate fraud scheme that ripped us off for \$1.3 million. We were told all the FBI people in Las Vegas are now looking at terrorism and they don't have the staff to handle fraud. This is ridiculous – we knew who the thieves were. We had a whole file of information, and couldn't get law enforcement to nail them.

**Maynor:** Identity theft is also huge, and we deal with that every day.

**Brennan:** And the offenders face no consequences, for the most part?

**Ladd:** The volume is so overwhelming that the police departments and the FBI don't have time for it. We could take your photograph, have your thumbprint, show you were the person who did it, give them the address where you live. They will not pick you up.

**Jamison:** You almost have to have a signed confession from somebody before law enforcement will take action.

And there's got to be an amount over \$100,000 or they just won't do it.



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**Menon:** We had a fraud item that was over \$200,000. Metro came in and they were going to let the guy walk. The business owner who was the victim happens to know Sheriff Young and called him personally, and Sheriff Young asked police to take the thief into custody; otherwise, they wouldn't have done anything.

**Guedry:** We went to the fingerprint system last year because Metro got to a point where if you didn't have a fingerprint on the check, they weren't going to even look at the file.

**Brennan:** What role will technology play in helping you overcome security and fraud issues?

**Several voices:** It makes it worse.

**Hulin:** What you can do with copy machines and computers is just astonishing. In the old days, crooks were taking a check out, physically washing the numbers off it. You don't need to do that anymore – you just get a copy of somebody's check and duplicate it to your heart's content, and the same with signatures.

**Hemsath:** If you haven't had your bank's cashier's checks forged yet, it's just a matter of time. And small banks are as vulnerable as big banks. It's happened to us. They go to your Web site, pull off your logo, scan it into a blank cashier's check and start passing copies off to vendors. It's technology that makes it work.

**Guedry:** You try to do things electronically to protect yourself and it backfires – for example, the "positive pay" system. Large companies with large payrolls give the bank a database that says, "Here are the checks written, here are the amounts of the checks." That way, if a check comes back and it doesn't match, the bank kicks it out. With the Check 21 law, vendors and other banks are now converting checks electronically so they process more quickly. But once it gets converted electronically, it can't be matched up to the positive pay database anymore, because it's no longer considered a check. So guess who eats that check if it's bad? It doesn't matter what you do to try and protect yourself, crooks are always a step ahead.

**Woodrum:** You just have to budget accordingly.

**Ladd:** That's a good point. Fraud loss is now a line item on our annual budget.

**Brennan:** Is it a number that continues to increase?

**Several voices:** Yes.



# Building Nevada



## NEVADA'S ARCHITECTURAL FIRMS

### DEALING WITH NEVADA'S DROUGHT

The Donald W. Reynolds Girl Scout Service & Training Center in Las Vegas, designed by Carpenter Sellers Architects, won awards from both the AIA and NAIOP. Shown at the award-winning building are:

(left to right) Steve Carpenter of Carpenter Sellers Architects, Windom Kimsey of Tate, Snyder and Kimsey, Will Lewis of C & B Nevada and Jim Mickey of Worth Group Architects.

### BIG A, LITTLE E Blakely Johnson & Ghusn Shifting Focus

COMMERCIAL REAL ESTATE REPORT: RETAIL



# Nevada's Architectural Firms Shaping the State's Future

by Mae Flennoy

**W**ith sprawling shopping centers and oceans of neon lights, it's almost impossible to imagine Las Vegas and Reno as the dusty one-horse towns they used to be. Nevada has long been experiencing unparalleled growth and a booming economy. That's good news for businesses like architecture firms that are on the ground floor of that growth.

Las Vegas was the site of the American Institute of Architects national convention in May. More than 20,000 architects converged to discuss issues related to the profession. During the conference, architects also used Las Vegas as a learning experience, touring its schools, hospitals, casinos and the Las Vegas Monorail, which are among the newest developments in the country. Many of the issues on the agenda were the same concerns facing Nevada's architects.

Steve Carpenter, principal of Carpenter Sellers Architects, found value in a seminar at the conference aimed at teaching architects how to manage their companies and increase profits. "They don't teach business in architecture school," he explained. "Good firms grow quickly, as we have, and when they do, the organization needs to be structured properly. When there were just the two of us in the firm, we could afford to be free-wheeling designers, and even when we added a few more people, we could still take the whole group to lunch or to tour a project. But we recently added our 32nd person, and we'd like to hire five more, so that requires a lot more administration, more meetings, more planning. The more you grow, the hungrier the administrative machine becomes."

Architecture firms are in high demand in Nevada, as well as around the country.

Nevada firms are keeping busy with all of the building projects continuously being proposed. Being an important commodity comes with its own unique set of challenges. Architecture executives say there's plenty of work to go around – so much so, that competition for projects is the least of their worries.

However, what they do compete for are quality employees. "All the firms are faced with bringing good quality people to work here in Nevada," said Windom Kimsey of Tate, Snyder and Kimsey, which is based in Las Vegas and also has an office in Reno. "Architects are busy all over the country. To get people to come here, you have to offer them strong incentives." Incentives, Kimsey said, include signing bonuses and other perks. He reported that Nevada is an attractive place to relocate because of the good economy and professional opportunities. "We get a lot of people from other cities that aren't doing so well. We benefit from others' misfortune," he said.

Another issue is that the universities in the state aren't turning out enough architecture graduates to keep up with the growing demand. This concern not only plagues architecture, but also a number of other professions, said Ron Hall, CEO of Las Vegas-based Swisher and Hall. "Having enough manpower to staff a job site and to man the firm is an industry-wide issue," he said. "The challenge is finding experienced help in both professional and contracting fields. We saw it first with doctors and nurses. It's hard with so much growth. The economy has always been strong in Las Vegas. People have been saying for years it can't keep up like this, but it just keeps getting stronger."

Will Lewis, project manager for C & B Nevada, said the shortage of affordable housing in Nevada often hinders recruiting efforts. "We conduct nationwide searches, and when we get someone interested in coming here, he or she may decide against it after seeing how much houses cost," he explained. "In order to afford the cost of living here, people have to ask a salary that's more than we can afford to pay on our present fee schedule."

Another challenge affecting architecture firms is the rising cost of construction, real estate and insurance in Nevada. Although business shows no signs of slowing down, there is cause for concern, said Jeff Frame, with Rose Frame Romero in Reno.

"It costs more to get something built," he said. "Material prices have escalated as fast as real estate. The going rate for an office building is \$200 per square foot, whereas about five years ago it was about \$100 per square foot."

Good planning is the key to combating the problem of high construction costs, said Jim Mickey, regional vice president of Worth Group Architects, which is based in Reno with offices in Las Vegas and Denver. "Right now, there's so much activity and growth. On the one hand, it's a great thing for our state, but on the other hand, there's a shortage of labor, and costs are so high."

He added, "What we estimate as a probable cost can escalate within three months. Unfortunately, many clients are in a position where they establish a budget a year ahead of time and then the prices escalate 10 percent, and they have to reduce their programs or the size of the building. It's hard to find a balance between cost and size of the project."

The high cost of insurance is also an issue for architecture firms. Premiums are at an all-time high due to frivolous lawsuits, mainly for condominiums, Frame said. "Insurance rates are sky-high. That will mean the end for many design professionals," Frame predicted. "Somebody's got to get control of this."

Frame says part of the problem is attorneys approaching owners with the idea that there could be defects in the property, and then encouraging them to file suit. "The only person who wins is the attorney," he said. "It's much more beneficial to work with the builders to try to correct the problem than to file a lawsuit. Realistically, you can't build a building to last forever – not with occupants using it."

Finding a way to prevent lawsuits and lower insurance premiums is especially important with more high-rise condominiums on the horizon. Las Vegas' famed neon skyline will soon be flanked by upwardly mobile housing. More than 100 high-rise condo towers have been proposed for Las Vegas alone. Reno is expecting to see a number of high-rises in its downtown, as well. Architects seem to see these new buildings as a positive thing for Nevada.

"It's smart planning," Mickey said. "In Las Vegas and Reno there is only so much land that can be developed. In looking to the future, creating a higher density of people living in an area is better. These areas are going to continue to grow, and it's going to be more and more difficult to commute from around the city."

Frame says he is certain Las Vegas is ready for the advent of high-rises, but worries that Reno's infrastructure isn't quite ready to handle such an undertaking. "I think the outlook is good for Reno, and this will increase our downtown development," he said. "It does pose some challenges for the infrastructure. We're going to have to pay more attention to mass transit, especially. The infrastructure is there, but we're going to have to invest in increasing our capacity. The Las Vegas Monorail is a model that everyone could follow."

Another trend making headlines in recent years is the move toward "green buildings" or sustainable architecture, but according to Don Clark, principal at Cathexes Inc., there has been more talk than action on this front. "Although our

firm designs a lot of 'green buildings,' we're the exception, not the rule," he said. "It's not difficult to do, but it requires a different thought process and a different mindset. For example, 'green' architecture starts with the building site. You want to make as little impact on the land as possible during the building process. Then, when choosing materials, you should also consider the energy it costs to produce those materials and to transport them to the site. If a really great building product has to be shipped all the way from China, think how much fuel it took to get here."

Clark said this year's rise in gasoline prices may cause increased demand for sustainable buildings, because people are reminded that natural resources are in short supply. Meanwhile, clients are asking for green buildings, but not many architects are designing them.

With Nevada's changing face, the architecture profession has to be prepared to keep up and continue to change in its own way. "Architecture firms have to stay on top of changes in industries, code changes and entitlement changes," Hall said. "We have to understand issues such as the en-

vironment, energy and longevity."

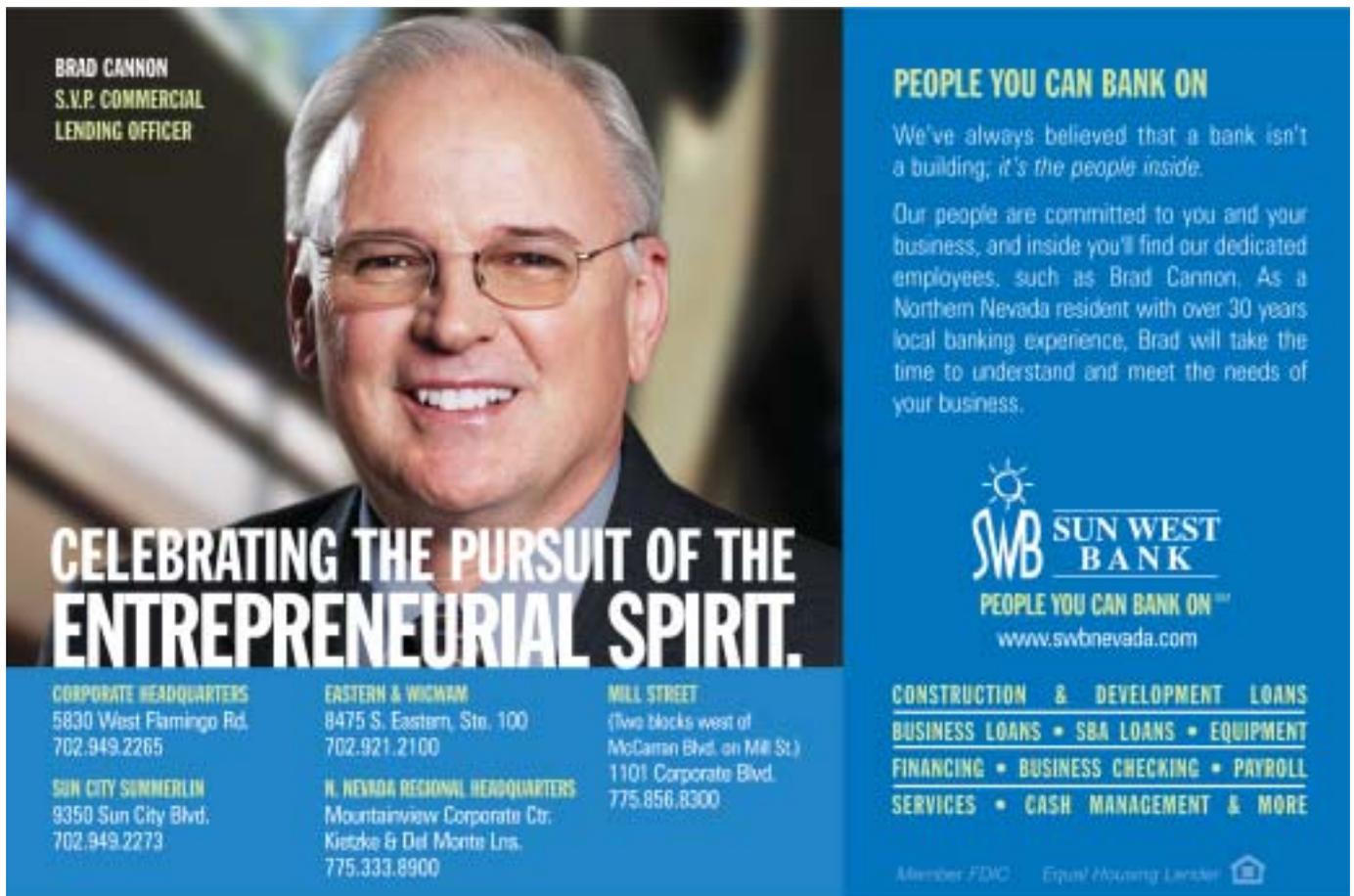
Swisher pointed out, "As architects, we do the toughest part of the project – taking the client's idea, and turning it into something that can be built. The amount of liability we have from lawsuits is disproportionate to the amount of money we earn, and we give away the easy part of the project to others, who make a good profit from it." One solution suggested by a speaker at the recent AIA conference was for architects to develop their own projects. "Architects should do more to develop projects," Swisher agreed. "We often design interesting and unique features into buildings, but they get taken out during the 'value engineering' process, leaving us with bland, 'vanilla' buildings instead of the 'tutti-frutti' that the clients deserve and the community needs. We also have the vision to see how an older building can be redesigned or rehabbed instead of being torn down. We can have a lot to say about how our community will look in the future, if we take things into our own hands."

Because Nevada's massive growth rate makes it unique, in-state architects have a

better understanding of local needs than outside firms, Hall said. "Our primary work remains here in Las Vegas," he said of Swisher Hall. "The competition hasn't affected us. Las Vegas is a unique place with its own unique set of challenges. Everything here moves so quickly. To someone coming in from outside, it's something new, but to those of us who've been here, it's just how business is."

Still, there's the mindset that bigger and out-of-state must somehow be better, said Frame. "I've seen some architects team up with bigger firms or firms out-of-state just to get the project, although they were more than qualified to handle the job on their own," he stated. "There's nothing being built in Southern Nevada that a local firm can't handle, and the same for Northern Nevada."

Despite the recent trend of bringing in nationally recognized firms to design big-ticket developments like MGM Mirage's Project CityCenter, Lewis said, "There are many sophisticated architects in Nevada who are designing quality buildings. We are well-qualified to handle the challenge of building large new projects." 



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by Elizabeth Gamble

## Big A, Little E Blakely Johnson & Ghusn Shifting Focus

In Northern Nevada, Barnes & Noble.com's warehouse, Intuit's office park and a Walgreen's retail store, and in Southern Nevada, Scott Drake Enterprises' manufacturing/distribution facility, the Silverado Business Park and the Cheyenne Distribution Center are the architectural creations of Blakely Johnson & Ghusn Inc. (BJG).

BJG is a Reno-based corporation that provides both architecture and engineering, with an emphasis on architecture. However, in the firm's early days it only provided structural engineering. The focus shift from engineering to architecture has largely directed the company's evolution. "We're still struggling with the perception that we're a structural engineering firm," said Peter Blakely, BJJ's president.

The three founders, Mike Blakely, Cliff Johnson and George Ghusn, formed BJJ in 1992 when they combined their firms, C.H. Johnson Structural Engineers and Mike Blakely Structural Engineer. "The merger provided economies of scale," Blakely said. The company offered only structural engineering services until 1998, when it added architecture and civil engineering departments and subsequently, the tagline: Engineering and Architecture. Consequently, local architects viewed BJJ as competitors and stopped sending them work. "We had to change our focus from consulting to architects to developing owner/user clients," Blakely said. "We had two really disruptive years."

Once back on track, BJJ modified its internal leadership structure. Rather than managing its then 20 employees as a group, it divided them into teams, each supervised by a different leader. "It was a necessary change," Blakely said.

Soon after, the dot-coms imploded. "We

had done projects for Amazon and Barnes & Noble, and suddenly that sector completely dried up," Blakely said. Consequently, in 2000, unlike any other year in BJJ's history, profits were minimal.

Then in 2002, BJJ opened an office in Henderson to more easily serve its Southern Nevada clients. Ed DeLorenzo now oversees operations there.

By 2004, the firm's architectural output had surpassed its structural engineering output. So the company's tagline was changed to: Architecture and Engineering. "We used to say 'Big E, Little A,' but now we're getting closer to where the architecture is driving most of our projects," Blakely said. "Changing the tagline makes a difference internally, then the public follows."

Today, BJJ designs buildings and sites for commercial, retail, industrial, manufacturing and warehouse uses. Its largest market overall is industrial, with office a close second. The company also consults in civil engineering, site planning and developer assistance.

With clients in Nevada, California, Utah, Oregon and Arizona, BJJ's work spans the western United States. Annually, the company takes on about 300 to 400 projects, both small and large. Some in progress, for example, include designing a prototype fire station for Clark County, a Dayton retail facility, a community services campus for the city of Reno and a South Meadows warehouse/manufacturing plant.

Last year, reaching nearly 40 employees, BJJ outgrew its Caughlin Ranch offices. It seized the opportunity to showcase its architectural skills by designing its new facility. The result is a modern 20,000-square-foot, two-story building at the Sierra Executive Center Park in south Reno. "We're very proud of this building," Blakely said. "It's changing the perception that we're only a structural engineering firm."

BJJ's board of directors is comprised of the original three principals, plus Peter Blakely, Ed DeLorenzo and Jeff Turnipseed. For the future, the board envisions continued growth, opening a California office and taking on more public works projects. "We're at the stage where we need more diversity of product type to improve stability," Blakely said.

Finally, the corporation will continue to enhance and promote its architectural side. "Our architectural staff is talented," Blakely said. "Getting that perception out to the marketplace is the next big step." 🌿



RETAIL- 1ST QUARTER 2005		
TOTAL MARKET	LAS VEGAS	RENO
Total Square Feet	34,969,994	10,874,362
Vacant Square Feet	1,776,300	656,476
Percent Vacant	5.1%	6.00%
New Construction	331,303	N/A
Net Absorption	433,106	144,029
Average Lease SF/MO (NNN)	\$1.64	\$1.65
Under Construction	834,425	2,587,468
Planned Construction	2,070,501	N/A
POWER CENTERS		
Total Square Feet	7,657,833	2,782,379
Vacant Square Feet	221,640	33,660
Percent Vacant	2.9%	1.20%
New Construction	0	N/A
Net Absorption	68,432	34,680
Average Lease SF/MO (NNN)	\$1.57	\$1.75
Under Construction	0	1,686,414
Planned Construction	0	N/A
COMMUNITY CENTERS		
Total Square Feet	14,905,152	1,795,689
Vacant Square Feet	881,001	122,675
Percent Vacant	5.9%	9.20%
New Construction	117,843	N/A
Net Absorption	291,690	2,039
Average Lease SF/MO (NNN)	\$1.57	\$1.50
Under Construction	545,090	63,096
Planned Construction	938,412	N/A
NEIGHBORHOOD CENTERS		
Total Square Feet	12,407,009	6,219,177
Vacant Square Feet	673,659	500,141
Percent Vacant	5.4%	18%
New Construction	213,460	N/A
Net Absorption	72,984	107,310
Average Lease SF/MO (NNN)	\$1.77	\$1.60
Under Construction	289,335	774,958
Planned Construction	1,132,089	N/A
FREE-STANDING		
Total Square Feet	N/A	401,437
Vacant Square Feet	N/A	0
Percent Vacant	N/A	0
New Construction	N/A	N/A
Net Absorption	N/A	0
Average Lease SF/MO (NNN)	N/A	N/A
Under Construction	N/A	45,000
Planned Construction	N/A	N/A

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

### Granite Construction Awarded Fernley Projects

Granite Construction Company recently announced Nevada Department of Transportation has awarded it two projects totaling \$16.7 million for the construction of several bridges, including one of the largest roundabouts in the western United States. Construction of two bridges, located along U.S. 50 near the Fernley/Fallon Interchange and along U.S. 95 at the Truckee Canal Bridge, began in May and is scheduled for completion in the summer of 2006. Project details include the demolition of existing bridges and replacement with improved structures.

### DP Partners Begins New LogistiCenter Building

Reno-based developer DP Partners recently broke ground for a 513,240-

square-foot industrial building within the 102-acre LogistiCenter at North Las Vegas business park. CDW Corporation, a technology products and services company based in Vernon Hills, Ill., will use the building as its distribution center for customers in the western United States, complementing a 450,000-square-foot center in Illinois. The new distribution center is located on a 25-acre site, and will feature a 32-foot clear-height ceiling, 84 truck docks, 50-foot by 50-foot bay sizes and parking capacity for 500 vehicles. It is expected to employ about 180 people on completion.

### Shea Breaks Ground for Office Condo Projects

Shea Commercial recently broke ground on two commercial condominium complexes in Southern Nevada. Shea at Shadow Crest, located at East Warm Springs and Spencer Street, is a seven-building, single-story office/medical complex offering floor plans ranging from 5,178 square feet to 7,570 square feet. Shea at Sunset, located on East Sunset Road between Pecos Road and Sandhill Road,

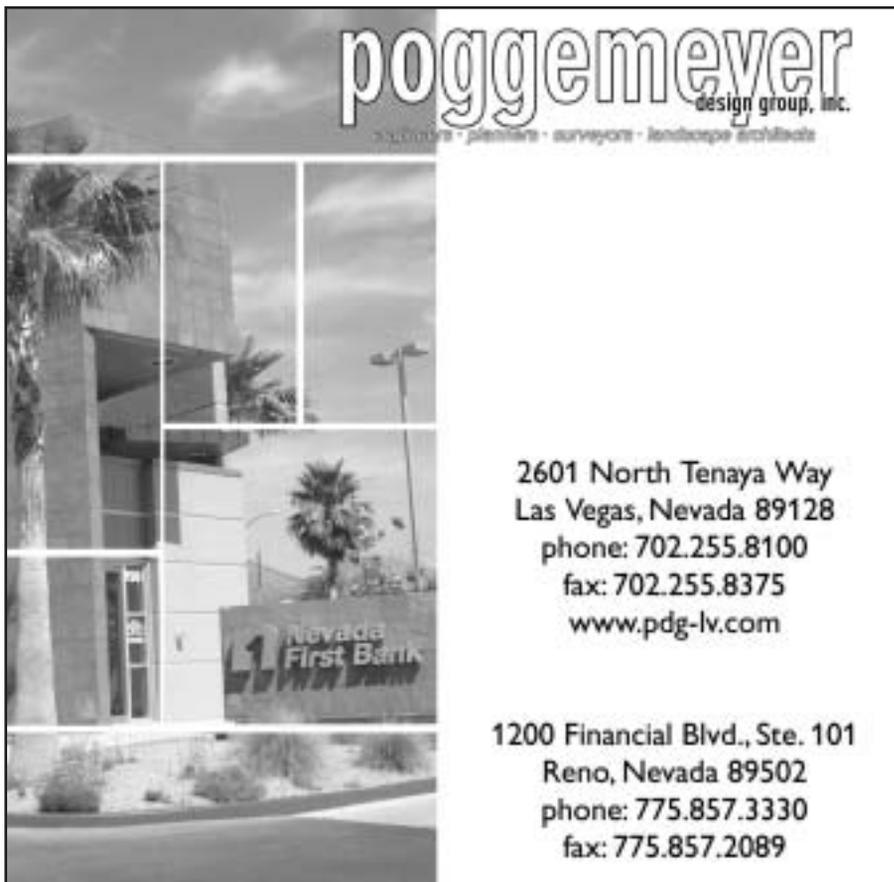
comprises 16 one-story buildings for office and industrial use. Office buildings are approximately 5,000 square feet, office/medical buildings are approximately 20,000 square feet and industrial buildings are approximately 14,000 square feet.

### University Buildings Completed

Clark & Sullivan recently announced it has completed work on the first two facilities to be built on the new Redfield Campus, located on Mt. Rose Highway in Reno. The project included the construction of a University of Nevada, Reno (UNR) facility, along with a Truckee Meadows Community College (TMCC) High Tech Center. The \$6.7 million UNR building, designed by Worth Group Architects, is a 54,000-square-foot, two-story building with structural steel and brick veneer. The \$4.7 million TMCC High Tech Center is a 34,000-square-foot, single-story building designed by Tate Snyder Kimsey Architects. In Southern Nevada, Burke & Associates, Inc. recently completed the John S. Wright Hall addition and renovation at University of Nevada, Las Vegas (UNLV). The Wright Hall complex includes three, 3-story buildings totaling 84,666 square feet. The buildings house teaching facilities, lecture halls, laboratories and office spaces. The architect for the project was Kittrell Garlock and Associates.

### Southern Nevada Adopts Stricter Energy Codes

The local governmental jurisdictions in Southern Nevada – Clark County, Las Vegas, Henderson, North Las Vegas and Boulder City – recently adopted the 2003 International Energy Conservation Code, which goes into effect Aug. 1. The code establishes minimum design and construction standards for energy efficiency in homes, businesses and other buildings and governs wall construction, lighting, alternative power and all aspects of energy use. Building officials estimate it will cost \$1,500 per new home to comply with requirements of the code, but the average homeowner will save about \$400 a year on energy bills. In commercial construction, the upgrades will cost about \$1.60 per square foot, but result in energy bill savings of about 68 cents per square foot per year.



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### Station Casinos Purchases 50 Acres Near Reno

Station Casinos Inc., which owns or has interests in 13 casinos in Southern Nevada, has purchased a 50-acre parcel south of Reno with the intention of developing a locals casino there. Current zoning does not allow gaming on the site, so the company's first order of business will be to apply for a special-use permit. The parcel, located at the southwest corner of U.S. 395 and Mt. Rose Highway, is adjacent to the Summit Sierra retail mall, a high-end development being built by Alabama-based Bayer Properties. Officials with Bayer Properties said they plan to enhance pedestrian access between the two projects, which are separated by Mt. Rose Highway. In March 2005, Station Casinos purchased a 96-acre parcel nearby, at the intersection of Geiger Grade Road and South Virginia Street.

### TMWA Receives Loan for Water Project

Truckee Meadows Water Authority (TMWA) recently received approval for a \$9.3 million low-interest loan to fund its Arsenic Mitigation Project. The loan was provided by the Nevada Drinking Water State Revolving Loan Fund (DWSRF). The interest rate on the loan is expected to be from 3.1 percent to 3.5 percent, compared to 5.0 percent to 5.5 percent for more conventional tax-exempt bond financing. By using loans provided by the DWSRF, TMWA estimates it can save over \$2.0 million in interest costs over the life of the 20-year loan. The funds will be used for pipeline and pump station upgrades at 13 water wells, which were necessitated when the Environmental Protection Agency changed federal drinking water standards for arsenic from 10 parts per billion (ppb) to 50 ppb. TMWA expects to be in full compliance with the new standard by January 2006.

### Double-Decker Buses to Cruise Las Vegas Strip

The London Transport Corporation recently unveiled the newest form of tourist transportation in Las Vegas – double-decker buses. The red buses will provide scenic charter tours from downtown Las Vegas to the South Strip. Riders will pay \$25 for full-day tickets, and will be able to board anywhere along the tour route. The open-air vehicles, which seat 80, were purchased from a British company after they were retired from service in London. Five buses will be hitting the streets of Las Vegas in July, and Raimond Capel, who owns the London Transportation Company, hopes to have at least 10 operating by the end of the summer.

### Reliant Sells Interest in Boulder City Power Plant

Houston-based Reliant Energy has agreed to sell its 50 percent interest in El Dorado Energy to Sempra Generation for \$132 million. Reliant and Sempra had jointly owned a 480-megawatt, natural gas-fired power plant located in Eldorado Valley, near Boulder City. The transaction, which is subject to approval by the Federal Energy Regulatory Commission, is expected to close in the third quarter of 2005. Sempra Generation and Reliant Energy announced their joint partnership to develop El Dorado Energy in 1997, and the plant began producing electricity in May 2000.



### Business Bank Opens North Las Vegas Branch

Business Bank of Nevada has opened its first full-service branch in North Las Vegas, which also includes a lending center. The 5,500-square-foot facility is located at the Cheyenne Valley Gateway Center, at Cheyenne and Valley near the North Las Vegas Airport. Business Bank, now in its 10th year of operation, has three offices in Southern Nevada, one in Reno, one in Carson City and one in Minden. Shown at the official ribbon-cutting are: (left to right) John Guedry, Business Bank president and CEO; Jason Awad, Business Bank chairman of the board; Monica Hall, Cheyenne branch manager; Lyle Brennan, Lyle Brennan Investments, developer of Cheyenne Valley Gateway; North Las Vegas Mayor Mike Montandon; and Melody Tagliere, Cheyenne Branch Financial Service Representative.

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## POWER HITTERS *Continued From Page 10*

increase the size of its offices and mechanics shop. The company is also working on a variety of projects for East West Partners at Northstar at Tahoe.

**Player: Irwin Molasky**

**Position: CEO**

**Team: The Molasky Companies**

**Years in Nevada: 55**

**Employees: 150**

Irwin Molasky is an entrepreneur who likes being first with cutting-edge and meaningful projects. The Molasky Companies built the first and largest enclosed shopping mall in Southern Nevada (Boulevard), the first private hospital (Sunrise) and the first major luxury high-rise condominium (Park Towers). CEO Irwin Molasky, who has been called a high-rise pioneer, always thought of Las Vegas could go vertical. Molasky is responsible for bringing many nationally known retailers to his company's community power centers, such as Best Buy, Office Depot, Barnes & Noble and Borders Books. The Molasky Companies are now working on the Molasky Corporate Cen-

ter, the first LEED (leadership and energy efficient design) office building, which will be located in downtown Las Vegas. The building will feature collectable water and solar panels and will have re-usable materials for insulation. Molasky hopes many others will follow his company's example. Now that land prices are doubling and tripling, building here is not for the faint of heart. A community leader and philanthropist, one "first" Molasky takes particular pride in is that he helped establish the Nathan Adelson Hospice, serving the terminally ill and their families.

**Player: Peter Thomas**

**Position: Managing Partner**

**Team: Thomas & Mack Co.**

**Years in Nevada: 50**

**Number of employees: 25**

His company owns and operates more than 1.7 million square feet of office and retail space in Southern Nevada. So, what's Peter M. Thomas' greatest accomplishment? "Getting my wife, Nancy, to marry me 33 years ago," said the managing partner of Thomas & Mack Co., a lo-

cally owned and operated asset management firm that has been developing and managing commercial real estate since 1956. Beyond the successful marriage proposal, Thomas said selling Valley Bank of Nevada to Bank of America tops his achievement list. From the 1950s through the 1970s, Valley Bank was the only bank lending significant sums to the gaming industry. "In 1992, Bank of America did not have a gaming loan portfolio. We provided the initial policies and experience to get them into the business. Today, Bank of America is the largest gaming lender in the world," Thomas said. The man who loves to ride his motorcycle while "soaking in Americana" is quick to credit the "Mack half" of Thomas & Mack. "The Mack family has been our partner in everything since my father, Parry, joined up with Jerry Mack some 50 years ago. All the second-generation members of both families are partners," said Thomas, who looks forward to the completion of Thomas & Mack's "next big thing" – the Beltway Business Park, being developed in conjunction with Majestic Realty.

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## HEALTH CARE

**Player:** Dr. Anthony Marlon  
**Position:** CEO and Chairman  
**Team:** Sierra Health Services  
**Years in Nevada:** 32  
**Number of employees:** 2,800

When Dr. Anthony Marlon's grandson was three years old, he took his powerful grandfather's face in his tiny hands and said, as only a child will, "Poppa, you are not mean, you just look mean." However you describe his expression, you only have to listen to Marlon talk for a few moments to realize he's passionate about Nevada – and the healthcare it provides. Sierra Health insures many Nevada residents with managed-care plans. One of the company's key objectives is wooing more medical professionals to the Silver State. Marlon, CEO and chairman of Sierra Health Services, said he remains extremely concerned about the deficit of quality young professionals coming to the market. Sierra Health has stepped up its already-aggressive recruiting efforts, especially for nurses and certain specialized medical professionals. The company has

also invested heavily in technology, such as electronic prescriptions and digital radiology. Based on a successful program used at its Southwest Medical Associates, Sierra is expanding use of technology for electronic medical records, which Marlon sees as increasing the quality of medical care for patients and eliminating duplication of service and medical errors. "Las Vegas continues to grow, and we are trying to adapt to that growth and take advantage of it," he said.

**Player:** Jim Miller  
**Position:** President and CEO  
**Team:** Washoe Medical Center  
**Years in Nevada:** 50  
**Number of Employees:** 4,510

Colonel Sanders received 1,000 rejections before selling his KFC recipe. Jim Miller was turned down by 17 potential employers after graduating from college. Even the Colonel would be impressed with Miller's mantra: "Develop and appreciate relationships with others who believe in you, and never stop believing in yourself." His credo worked like a charm. The 50-

year resident of Nevada is the president and CEO of Washoe Medical Center. Based in Reno, the four-hospital system has forged medical ground. The Novalis shaped-beam surgery for cancer treatment and the Women's Heart Program are just two of its crowning glories. He rides a unicycle in his free time, but on the job Miller enjoys collaborating with others to turn dreams into reality. Along with his 4,510 employees, Miller continually strives to meet the healthcare needs of the rapidly growing Northern Nevada community. Like most business leaders, Miller is focused on employee retention and recruitment. "Retaining, recruiting and training enough qualified professionals to ensure we are able to provide timely, quality healthcare services is part of the challenge of meeting the growing healthcare needs of our region," said Miller, the 2005 chair of the Nevada Hospital Association. With growth comes expansion. It's something Miller knows well. A 10-story, 50,000-square-foot patient care tower and parking garage at the main campus are slated for completion in early 2007.

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## POWER HITTERS

**Player: Dr. Anthony Pollard**

**Position: Founder, Owner and Medical Director**

**Team: Rainbow Medical Centers**

**Years in Nevada: 17**

**Number of Employees: 156**

When asked to name his accomplishments, you'd expect Dr. Anthony Pollard to first mention Rainbow Medical Centers, a practice he started in 1989 that now has seven locations serving the Las Vegas Valley. Instead, Pollard primarily points to the Anthony L. Pollard Charitable Foundation. Now, Pollard and his wife Diane are at work building a charter school in West Las Vegas called the Rainbow Dream Academy. "I'd like to see more people get more involved in philanthropy and social issues in the community so we maintain survivability in the future," said Dr. Pollard. But his emphasis on community doesn't mean healthcare – and the healthcare system – isn't also a priority. "The business of doing business in medicine has made growth more challenging for medical providers here," he said. "You have to make sure every pressure point is taken care of, and you can't afford to have

a lot of hiccups." Pollard believes much of Rainbow's success and growth is due to following a business plan, watching overhead and managing expenditures without sacrificing the ability to deliver a quality product for the patient or the integrity of the employee. "From a primary care perspective, we still deliver the best possible care we can to our patients," he said.

## POLITICS

**Player: William Raggio**

**Position: Majority Leader**

**Team: Nevada State Senate**

**Years in Nevada: native (78)**

**Number of Employees: n/a**

A native of Reno, attorney Bill Raggio was elected three times as district attorney for Washoe County. In 1970, he was the Republican nominee for U.S. Senate, and in 1974 he made an unsuccessful run for lieutenant governor of Nevada. However, Raggio found his true calling when was elected to the Nevada Senate in 1972, and he has held leadership positions in the Legislature ever since. During the 2005 session, he served as Senate Majority Leader and also as chairman of the Senate Finance

Committee, making him one of the most powerful political figures in the state. He is also a senior partner in the law firm of Jones Vargas, with offices in Reno and Las Vegas. Note: Raggio was unavailable for an interview, due to the press of business at the end of the legislative session.

**Player: Harry Reid**

**Position: Minority Leader**

**Team: U.S. Senate**

**Years in Nevada: native (65)**

**Number of Employees: n/a**

Harry Reid values families – both his own and those of the Nevadans he represents in Washington D.C. as Senate Minority Leader. "The issues important to Nevada are the same issues that are important to the country, like healthcare, education, lowering the price of gas, protecting Social Security, and pension reform," he said. He pointed to the recent compromise on filibusters as one of the biggest accomplishments in his tenure as Senate Minority Leader. It's a deal he believes will pave the way to more bipartisan work with Republicans. A father of five and grandfather of 15,



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Reid takes every opportunity to spend time with his family. "I have two sons in Henderson, one son in Reno, my daughter in the D.C. area and another son in Salt Lake City," he said. "So wherever my wife Landra and I go, we have children and grandchildren around us." For inspiration in leadership and taking care of Nevada's families, the senator relied on his relationship with former two-term governor Mike O'Callaghan. "I admired the way he took care of people and was fair to everyone," said Reid. "He was also a man of great strength and leadership. I valued his advice and try to live my life in a way that would make him proud."

**Player:** Billy Vassiliadis  
**Position:** CEO and Partner  
**Team:** R&R Partners  
**Years in Nevada:** 30  
**Employees:** 280

If you've heard the phrase "What Happens in Vegas, Stays in Vegas," then you've heard the work of R&R Partners, led by Billy Vassiliadis, CEO and partner. "We thought it was a great ad cam-

paign – but I don't think anyone anticipated it would become a commonly used phrase in our culture," said Vassiliadis. "Every advertising agency dreams of the day when that happens." But there's more associated with Vassiliadis than one mega-successful campaign. He's also served as a top political adviser for federal, state and local elected officials and a public affairs and communications specialist used by leaders on both sides of the political fence. Even so, continuing to promote Southern Nevada and developing a greater sense of community are two top-of-mind items for Vassiliadis. Although tribal gaming is not the threat it once was, Vassiliadis still sees competition as the biggest issue facing Las Vegas. Following that, he'd like to see improvements in education at all levels and the development of a greater sense of community. A former Chicagoan, Vassiliadis is passionate about improving the livability of the city he lives in with his wife, son and daughter and is an advocate for a performing arts center and a professional basketball team. 



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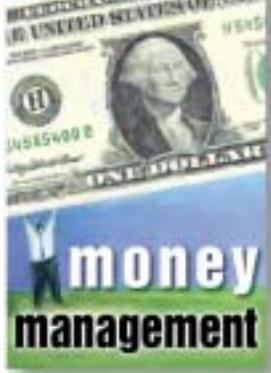
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by Emmet Scott

## Roth 401(k): A New Solution To Benefit Professionals

Planning for retirement can be both exciting and scary as one investigates investment, insurance and saving alternatives. Popular options in the past have revolved around the Traditional IRA, Roth IRA, 401(k)s, SEP IRAs and SIMPLE IRAs. Each option had its own limitations and benefits.

In 2006 a new option called the Roth 401(k) will be entering the retirement

benefits stage. The Roth 401(k) takes the investment limits of the 401(k) plan and adds the tax-saving benefits of a Roth IRA. Roth 401(k)s are poised to become a powerful retirement solution for professionals at any income level who are looking for an alternative to existing plans.

Since the Taxpayer Relief Act of 1997, Roth IRAs have been a popular means for taxpayers below certain income thresholds (\$110,000 for single individuals, \$160,000 for married individuals) to put aside after-tax dollars in their IRAs. However, because of these income limitations, a majority of working professionals have not been able to establish Roth IRA accounts.

In 2001, Congress enacted the Economic Growth and Tax Relief Reconciliation Act (EGTRRA). EGTRRA brought a sweeping set of changes to the rules governing pension plans, 401(k) plans and other defined contribution plans. These changes will make it possible for employers to establish Roth 401(k) accounts beginning in 2006, benefiting em-

ployees at many income levels.

Although some employees are currently eligible to contribute to Roth IRAs, the maximum amount these employees can contribute is very limited (\$4,000 in 2005, or \$4,500 for persons age 50 or over). The new Roth 401(k)s will allow all employees to save up to \$15,000 per year. There is no future income tax liability on the earnings if the distribution meets the requirements for a "qualified distribution."

Roth 401(k) contributions have the added benefit over the Roth IRA of being matched by the employer. Matching is done pre-tax, but is taxable at distribution. A participant may roll over his or her Roth 401(k) account contributions to a Roth IRA.

The new plan is positioned to allow a retiree who has been contributing to a Roth 401(k) with matching funds from his or her employer to have both tax-free and taxable retirement funds by following the distribution rules.

Because a participant's Roth 401(k) account will be treated as an elective deferral, it will only be eligible for distribution on a participant's termination of employment, death, disability, attainment of age 59.5 (if permitted under the terms of the plan) or hardship. However, a participant's reaching one of these distribution events will not necessarily ensure tax-free treatment of distributions of his or her Roth 401(k) account. In order to be treated as a tax-free distribution, a distribution from a Roth 401(k) account must be a "qualified distribution." In order to be treated as a "qualified distribution," the distribution must not only meet these guidelines, but it also cannot be made within five years of the first Roth 401(k) contribution to the plan or predecessor Roth 401(k) plan. Unlike a Roth IRA, a distribution from a Roth 401(k) to finance a first-home purchase will not be treated as a "qualified distribution."

For more information on the new Roth 401(k) plan visit [www.irs.gov](http://www.irs.gov). 

*Emmet Scott is a financial coach for Capstone Capital, a Henderson-based financial service firm.*

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U.S. Representative Shelley Berkley



## Public Lands Management Act Keep the Proceeds in Nevada

*“What changes is Congress planning for the sale of federal lands in Nevada, and how will proposed changes affect Nevada taxpayers?”*

**T**he Southern Nevada Public Lands Management Act (SNPLMA) is an innovative law that has raised more than \$1 billion for conservation and recreation through the sale of excess land in the Las Vegas Valley.

Southern Nevada’s phenomenal growth has created enormous demand for vacant land, and as a result, sales under SNPLMA have generated enormous proceeds. This pool of funding is now the target of the Bush administration, which is seeking to divert more than \$700 million in funding away from Nevada and into the U.S. Treasury to pay for the federal deficit.

Funds generated by land sales authorized under the act are used for parks and trails, to purchase environmentally sensitive lands in Clark County and around Nevada and for restoration work at Lake Tahoe. SNPLMA balances the need to sell excess federal lands in Clark County for private development with the need to offset growth through the development of parks, trails and other recreational opportunities and through the preservation of unique natural treasures around the Silver State.

Under SNPLMA, designated parcels of federal land in Clark County are auctioned to the highest bidder and proceeds from the sales are divided using a formula authored by former Nevada Senator Richard Bryan, then-Congressman John Ensign and Senator Harry Reid, who all worked together to pass the law creating the land sales in 1998.

The act, which received bipartisan support in both the Senate and House, directs that 85 percent of proceeds are used for the purchase of sensitive lands and to enhance

recreational opportunities. The remaining 15 percent of proceeds are divided between the Southern Nevada Water Authority, which is given 10 percent of funds generated, and the state’s education coffers, which receive 5 percent of proceeds.

The White House plan to strip Nevada of its land sales earnings has met fierce opposition from the state’s Congressional delegation, which is fighting the proposal. The loss of this funding would be a devastating setback to ongoing conservation and recreational enhancement efforts.

The Bush administration argues that land sales have generated more funding than needed by Nevada, and that these proceeds should be taken away, despite the fact that many worthwhile projects and land purchases have yet to be funded. Clark County and state of Nevada officials have stated that the problem is not a lack of need for the funding, but that proceeds that could go to improving recreational opportunities and land conservation are being withheld for political reasons.

This effort to rob funding from Nevada is an about-face for the Bush administration, which has consistently touted the success of SNPLMA and has pointed to the program as a model that could be replicated nationally. During a visit to Las Vegas in October of last year, Secretary of the Interior Gale Norton praised the Lands Act and its effect on the community saying, “Through the Southern Nevada Public Land Management Act and the partnerships formed from it, we are providing communities better opportunities to grow and providing residents better opportunities to enjoy the outdoors.”

Two years earlier, in 2002, Norton called SNPLMA a “landmark” law which “provides for the protection of environmentally sensitive lands and multispecies habitat, improves recreation opportunities and allows development to occur where appropriate.”

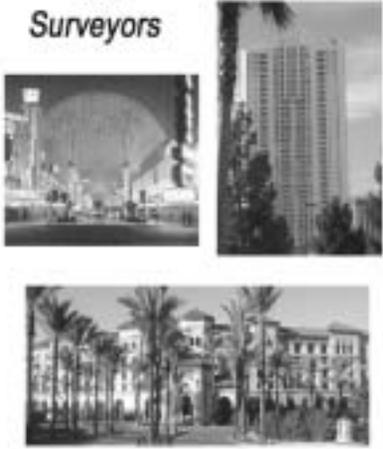
Those remarks were followed by more than \$100 million in funding being released for development of parks and trails in Clark County, for the Las Vegas Preserve and for improvements at Red Rock, Lake Mead, the Spring Mountains National Recreation Area and Desert National Wildlife Refuge.

Given the statements of support for the positive impact of SNPLMA by the Bush administration, it is inconceivable that the president would continue to press ahead on his plan to take away more than \$700 million in funding that rightfully should be spent solely in Nevada and only for the purposes outlined in the law. Sending this funding to the U.S. Treasury will amount to little more than a monetary drop in the ocean given the record deficit the U.S. now faces. And it will be the residents of Las Vegas and all Nevadans who will lose out as a result of this misguided policy.

We must also resist calls to change the original formula enshrined in SNPLMA by decreasing the amount to be spent on habitat preservation, land purchases, parks and trails. This concept is an invitation to those who are already seeking to tap Nevada’s SNPLMA funds for other uses. The law should stay exactly as it is written and all our efforts should be focused squarely on defeating the Bush proposal to loot these funds. 

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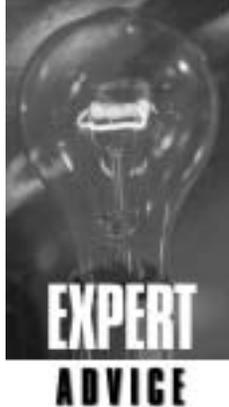
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by Lucinda Stanley

## Buying vs. Leasing Commercial Space

### *The Pros and Cons*

**B**uying commercial space has many advantages over leasing the space. Most landlords have not kept up with the rising costs of construction, which puts the burden on the tenant to finance the difference (also known as cost overage) for tenant improvements. Also, if the building is not already equipped with common restrooms, private restrooms are an added expense the tenant must absorb. Most general contractors agree that the average cost for a general office build-out would range from \$40 to \$50 per square foot. The \$25-per-square-foot allowances offered by landlords no longer attract tenants going into raw space. Medical companies get hit even harder with their typical build-out requirements.

Other “pros” of buying include: attractive interest rates – even with rising rates and anticipated increases, the monthly debt service is still at or below what a typical lease payment would be; appreciation of value – one year ago, small office-building shells sold for an average of \$170 per square foot and now exceed \$200 per square foot; and various tax advantages a CPA can explain. Not to mention pride of ownership, being able to tailor the space to one’s needs, and getting a return on the investment.

Obtaining financing has never been easier for the small business owner, with attractive rates, creative ways of showing equity and even financing for the furniture and trade fixtures. Commercial space inventories have increased, where in the past it was difficult to find a small build-

ing available to purchase or a small quarter- or half-acre site to build on. If you really want to calculate the cost of constructing your own building, consider the time value of money as well as the hard costs. Small business parks are a sure answer to alleviating the headaches of designing, building and supervising the construction process and save the small business owner money as well (using the economy-of-scale method).

The “cons” of buying must also be analyzed before purchasing a building. Leasing allows the small business owner options for growth (or downsizing) and requires fewer out-of-pocket dollars at the beginning. Those buying a building typically need a down payment of 10 percent of their total cost (building, closing fees, furniture and fixtures), which may deplete their liquid assets. Loan interest rates are not always fixed, and may have an adjustment date or balloon date when the rate would increase after a period of time. Leasing makes it easier to relocate. It’s often hard to predict when construction on a new building will be completed, and buyers may be subjected to various delays they cannot control.

When purchasing a building, plan for future growth by buying more space than is currently necessary. This avoids being locked into a building with no options to expand. However, this means the owner must finance more than he or she currently needs. A common fix for this situation is to lease out the unused portion on a short-term lease, thus reducing the debt service until such time as the owner needs the space.

Whether planning to buy or lease, seek advice from a CPA and an experienced developer and/or commercial real estate agent to review the pros and cons for your particular business and situation. But before you make that call, check their credentials first and find out how long they’ve been in the business and what they specialize in. Making the right decision rides on your shoulders, and the more time you spend doing the legwork, the easier the process will be. 🌟

*Lucinda Stanley, CCIM, CPM, is a corporate broker/senior vice president for Shea Commercial.*



## Olive Crest *Serving At-Risk Children and Families*

Olive Crest is dedicated to preventing child abuse, to treating the victims of abuse and to preserving the family, one life at a time. Children come into this world seeking love, protection and care. Unfortunately, for millions of children each year, that search will be fruitless.

Olive Crest is a national leader in the prevention and treatment of child abuse, caring for over 4,000 children and their families each year. Nationwide, the organization has given over 35,000 children a healthy, safe and loving environment where their physical and emotional wounds can heal. Founded in 1973 as a home for four teenagers, Olive Crest now operates 17 residential homes, foster family and adoption agencies, and a residential treatment center for high-risk youth.

Its locations in Southern California, Seattle and Las Vegas serve children from birth to age 18, young adults ages 18 to 22, and at-risk families through providing: foster homes; education and vocational training; individual, group and family counseling; relationship-building skills and spiritual support; and child abuse prevention education.

Olive Crest was invited by the state of Nevada to come to Las Vegas in 1996. In 1997, its first child was placed in a certified foster home. Currently, it operates a foster family agency in Las Vegas, caring for more than 60 children ranging in age from birth to 18 years. Its foster care program provides the only family some children will ever know by giving the love and support generated by a stable family setting.

In addition to foster care, Olive Crest provides several programs in the community to help preserve the family. According to Darci Jacobs, development director

### NEVADA STATISTICS

- Over 30,000 cases of child abuse are reported in Nevada each year.
- Over 4,000 children are in the custody of the state of Nevada each day.
- Every month, Olive Crest turns away children because there aren't enough foster parents.
- Since 1997, Olive Crest has served more than 400 children in Las Vegas.
- Over 20 percent of children in foster families have been adopted.
- Socio-economic background of children and families matches Las Vegas demographics.

for the organization, its goal is to minimize the number of abused children by going into the homes first in hopes of keeping the family intact. Olive Crest also offers free parenting classes, as well as a respite program that provides support to parents by giving them a much-needed break from their children. Olive Crest also provides counseling, crisis intervention, behavior management, skills training, tutoring, advocacy with the court and other in-home services.

With the ever-increasing population in Las Vegas, incidents of child abuse are on the rise. An important means of support for the children is Olive Crest Abused Children's Foundation. Foundation trustees are committed to the financial support of Olive Crest's efforts to combat child abuse, and Jacobs reported the organization strives to make the most of every dollar donated. All funds donated in Nevada stay in Nevada.

Olive Crest can break the cycle of abuse and provide opportunities for brighter, healthier futures. Olive Crest offers hope, safety and a place to heal and grow. 🌱



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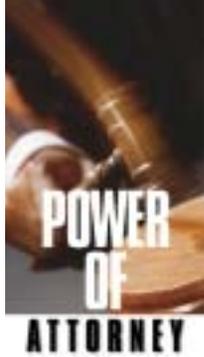
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by Paul C. Deyhle

## Your Company's Website Who Really Owns It?

A company's Website is a valuable asset that should be carefully protected. Failure to do so could severely limit what rights a company has in the content of its own Website, may result in others retaining rights in the same content, or may lead to lawsuits.

### Independent Web Designers and Ownership

Protecting the content of a Website starts at the design stage. A company typically engages an independent Web design company or a graphic artist to design its Website. These outside firms create various designs,

logos and other artwork, which eventually become the content of a Website. Each of these works may be afforded copyright protection, whether they are registered with the U.S. Copyright Office or not.

Copyright law grants the owner of a copyright the exclusive rights of reproduction, adaptation, distribution, performance and display. Each of these rights may be owned and enforced separately, as well as sold or licensed to third parties. So, who is the owner of the copyright in these works? There is a common misconception that the company owns these works, but this is not true. Under copyright law, the author of a work is deemed to be the owner of the copyright unless otherwise agreed to in writing.

If there is no written assignment of the copyright in these works to the company, then the author (i.e., Web design firm, graphic artist, etc.) will retain ownership, thereby leaving the company with only the right to use or display these works and little else. Therefore, a company should always obtain a written assignment of all original works incorporated into its Website before work is commenced.

### Employee-Designed Websites and Ownership

If a work is created by an employee within the scope of employment, the employer is considered the author and thus, the copyright owner of that work. However, as with any law, there are always exceptions, so it is vital that companies require their employees to make written assignments of all intellectual property rights to the company.

### Registering Websites

Once the Website is completed, each page of the Website, as well as the Website as a whole, should be registered with the U.S. Copyright Office and contain proper copyright notices. Registration not only allows a copyright owner to file a lawsuit to enforce its rights, but also allows recovery of statutory damages and attorneys' fees. Where infringement occurs prior to registration, only an injunction and actual damages may be obtained.

### Trademark Search

Another situation confronted in this area is the risk of incorporating a third party's trademark or service mark into a Website. These marks comprise not only words, phrases and slogans, but also designs, logos, symbols, moving images, colors and sounds. Before any proposed marks are incorporated into a Website, it is highly recommended that a complete trademark search be performed to determine the existence and use of any conflicting marks.

### Summary

Although this article focuses primarily on Websites, many of these issues apply similarly to any form of marketing media, whether used over the Internet, in print or on television. Failure to take these necessary precautions may result in the company having to cease use of or pay for works that it once thought it owned, and/or face liability for copyright or trademark infringement. 

*Paul Deyhle is an attorney in the Reno office of the McDonald Carano Wilson Law Firm. His practice focuses on corporate, commercial and business transactions, intellectual property law and employment law.*

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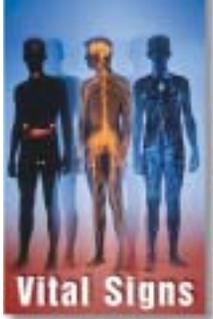
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by Joan C. Miller

## Southwest Medical Associates *Adopting New Technology*

Integration of new technology has resulted in dramatic improvements in patient healthcare at Southwest Medical Associates, Inc., a subsidiary of Sierra Health Services, Inc.

Southwest Medical Associates is utilizing a product called TouchWorks Electronic Medical Record (EMR) by Allscripts Healthcare Solutions (Allscripts), a leading provider of clinical software and information solutions. "It is a very important, valuable investment," stated Michael T. Coleman, vice president of clinical operations at Sierra Health Services.

Sierra Health Services, based in Las Vegas, is a diversified healthcare services company. In addition to Southwest Medical Associates, it also operates health maintenance organizations, indemnity insurers and preferred provider organizations. Sierra's subsidiaries serve more than 570,000 people through health benefit plans for employers, government programs and individuals. "At Sierra Health Services, Inc., 75 percent of members select Southwest Medical Associates, Inc.," said Jenny Des Vaux Oakes, assistant vice president of public and community relations at Sierra Health Services.

Southwest Medical Associates is Nevada's largest multi-specialty medical group practice, with over 200 physicians at 13 locations. It operates a 24-hour urgent care center, surgery center, radiology department and occupational medicine department. In 1994, it began automating its procedures, using an IDEX system as a clinical repository for internal records. TouchWorks EMR was launched at Southwest Medical Associates in September 2003.

The TouchWorks EMR product consists of a modular design approach. The modules

currently utilized by Southwest Medical Associates are electronic prescribing, electronic medical records, care management software and digital radiology.

The first module to be implemented was electronic prescribing (e-prescribing). Physicians use a handheld device or computer to write prescriptions during the patient examination. The prescriptions are immediately transferred securely to the pharmacy via a server. "Benefits include notification of any drug interactions, cross-reactions and legibility of the prescriptions," stated Coleman. Among the advantages of e-prescribing are increased safety, reduced pharmacy callbacks, higher revenue, enhanced healthcare decision-making and streamlined office efficiency.

E-prescribing is especially advantageous due to the large volume of prescriptions handled at Southwest Medical Associates. For example, during the month of March 2005, approximately 96,000 prescriptions were processed. E-prescribing significantly reduces medical errors and increases accuracy.

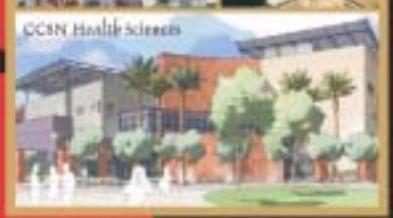
TouchWorks EMR has enabled Southwest Medical Associates to become "chartless." Physicians enter patient diagnoses in the examination rooms. Documents, lab results, X-ray verifications and consultation reports are all scanned into the system.

The benefits from TouchWorks EMR have been significant. "Receiving wrong patient charts is eliminated. Charts and records are securely accessible off-site immediately. TouchWorks EMR also meets HIPAA compliance," stated Dr. Craig Morrow, medical director of primary care and urgent care at Southwest Medical Associates. Physicians can utilize electronic medical record information to chart a patient's progress for such items as blood cholesterol levels.

Billing and coding, electronic orders for labs, X-rays and ancillary items will be incorporated as future enhancements to the system. Plans also include linking digital radiology to TouchWorks and providing patient access to personal health records through the on-line iHealthRecord. The iHealthRecord allows patients secure access to their physicians and also lets them receive pertinent educational information and reminders regarding their healthcare.

Coleman stated, "Technology is changing. We are doing a good job staying ahead of the curve."

## Intelligent Architecture *Timeless Design*

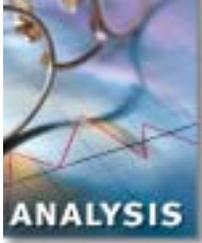


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# Business Indicators

**N**evada continues to experience favorable economic conditions. Jobs are up by 6.4 percent over the last year in the Silver State. In addition, taxable sales and gaming revenue are up by more than 10 percent on an annualized basis. Not surprisingly, Nevada's unemployment rate is at 4 percent, a full 1.2 percent less than the rate for the U.S. In comparison, U.S. job growth is up 1.7 percent.

More recently, however, employment growth has softened. U.S. payroll employment grew by 75,000 jobs in May. A generally accepted norm is that it takes a growth of 150,000 jobs a month to assimilate new labor-force entrants. Thus, job growth remains an issue of importance.

Oil prices in excess of \$50 per barrel have not had an appreciable overall impact to date. Indeed, a nominal price of \$50 today is still less than prices more than 20 years ago, when adjusted for inflation. Still, a heavy summer driving season in the U.S. and stepped-up use of oil in the growing Asian economies could keep demand at a high level, so that a supply setback could push prices up. Price shocks, and the increased risk of such disturbances, may still soften future performance.

Even with slower growth, U.S. prospects remain bright for the remainder of 2005. Inflation-adjusted gross domestic product grew at an annual rate of 3.7 percent for the first quarter. As such, it is highly probable that growth in 2005 will exceed 3 percent, well within the expected bounds for sustaining an economic expansion at this stage of the business cycle.

	UNITS	DATES	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT (%)	YEAR AGO (%)	
<b>NEVADA</b>								
EMPLOYMENT	1,000 EMPLOYEES	4/05	1,213.7	1,197.0	1,140.4	1.4	6.4	Strong
UNEMPLOYMENT RATE	%, NSA	4/05	4.0	4.0	4.5	0.0	-11.1	Favorable
TAXABLE SALES	\$ BILLION	3/05	4.079	3.221	3.579	26.6	14.0	Very Strong
GAMING REVENUE	\$ MILLION	3/05	1,031.86	909.55	930.34	13.4	10.9	Very Strong
PASSENGERS	PASSENGERS	3/05	4,500	3,649	4,191	23.3	7.4	Strong
GASOLINE SALES	MILLION GALLONS	3/05	96.37	82.40	92.08	17.0	4.7	Up
VISITOR VOLUME	MILLION VISITORS	3/05	4,568	3,955	4,505	15.5	1.4	Up
<b>CLARK COUNTY</b>								
EMPLOYMENT	1,000 EMPLOYEES	4/05	863.2	850.5	803.9	1.5	7.4	Strong
UNEMPLOYMENT RATE	%, NSA	3/05	4.0	4.0	4.6	0.0	-13.0	Favorable
TAXABLE SALES	\$ BILLION	3/05	3.031	2.422	2.646	25.1	14.5	Very Strong
GAMING REVENUE	\$ MILLION	3/05	864.99	765.80	776.30	13.0	11.4	Very Strong
RESIDENTIAL PERMITS	UNITS PERMITTED	4/05	2,661	2,765	3,680	-3.8	-27.7	Adjusting
COMMERCIAL PERMITS	PERMITS	4/05	86	152	94	-43.4	-8.5	Adjusting
PASSENGERS	MILLION PERSONS	3/05	4,012	3,220	3,710	24.6	8.1	Same
GASOLINE SALES	MILLION GALLONS	3/05	65.40	56.90	60.97	14.9	7.3	Up
VISITOR VOLUME	MILLION VISITORS	3/05	3,943	3,418	3,848	15.4	2.5	Up
<b>WASHOE COUNTY</b>								
EMPLOYMENT	1,000 EMPLOYEES	4/05	215.0	212.7	206.0	1.1	4.4	Strong
UNEMPLOYMENT RATE	%, NSA	4/05	3.6	3.7	4.0	-2.7	-10.0	Very Favorable
TAXABLE SALES	\$ BILLION	3/05	0.591	0.463	0.546	27.7	8.3	Strong
GAMING REVENUE	\$ MILLION	3/05	86.30	77.66	85.72	11.1	0.7	Trend Flat
RESIDENTIAL PERMITS	UNITS PERMITTED	4/05	933	716	425	30.3	119.5	Strong
COMMERCIAL PERMITS	PERMITS	4/05	23	20	26	15.0	-11.5	Adjusting
PASSENGERS	MILLION PERSONS	3/05	0.474	0.418	0.468	13.5	1.4	Up Monthly
GASOLINE SALES	MILLION GALLONS	3/05	15.37	13.37	16.06	14.9	-4.4	Up Monthly
VISITOR VOLUME	MILLION VISITORS	3/05	0.407	0.348	0.442	16.9	-7.9	Up Monthly
<b>UNITED STATES</b>								
EMPLOYMENT	MILLION, SA	4/05	133.293	133.019	131.123	0.2	1.7	Growing
UNEMPLOYMENT RATE	%, SA	4/05	5.2	5.2	5.5	0.0	-5.5	Steady
CONSUMER PRICE INDEX	82-84=100, NSA	4/05	194.6	193.3	188.0	0.7	3.5	Oil Effect
CORE CPI	82-84=100, NSA	4/05	200.9	200.7	196.5	0.1	2.2	Steady
EMPLOYMENT COST INDEX	89.06=100, SA	1Q05	167.4	166.4	163.5	0.6	2.4	Up
PRODUCTIVITY INDEX	92=100, SA	1Q05	136.7	136.0	133.1	0.5	2.7	Favorable
RETAIL SALES GROWTH	\$ BILLION, SA	4/05	344.895	340.179	318.330	1.4	8.3	Holding
AUTO AND TRUCK SALES	MILLION, SA	4/05	17.40	16.80	16.58	3.6	4.9	Holding
HOUSING STARTS	MILLION, SA	4/05	2.038	1.836	1.968	11.0	3.6	Still Growing
GDP GROWTH	\$ BILLION, SA	1Q05	11,088.8	10,994.3	10,697.5	0.9	3.7	Still Expanding
U.S. DOLLAR	97.01=100	5/05	110.437	109.920	116.788	0.5	-5.4	Weak
TRADE BALANCE	\$ BILLION, SA	3/05	-54.986	-60.570	-47.128	9.2	-16.7	Weak
S&P 500	MONTHLY CLOSE	5/05	1,198.78	1,156.85	1,120.68	3.6	7.0	Growth
REAL SHORT-TERM RATES	%, NSA	4/05	2.11	1.96	0.62	7.7	240.3	Up
TREASURY YIELD SPREAD	%, NSA	4/05	1.50	1.70	3.39	-11.8	-55.8	Narrowing

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.

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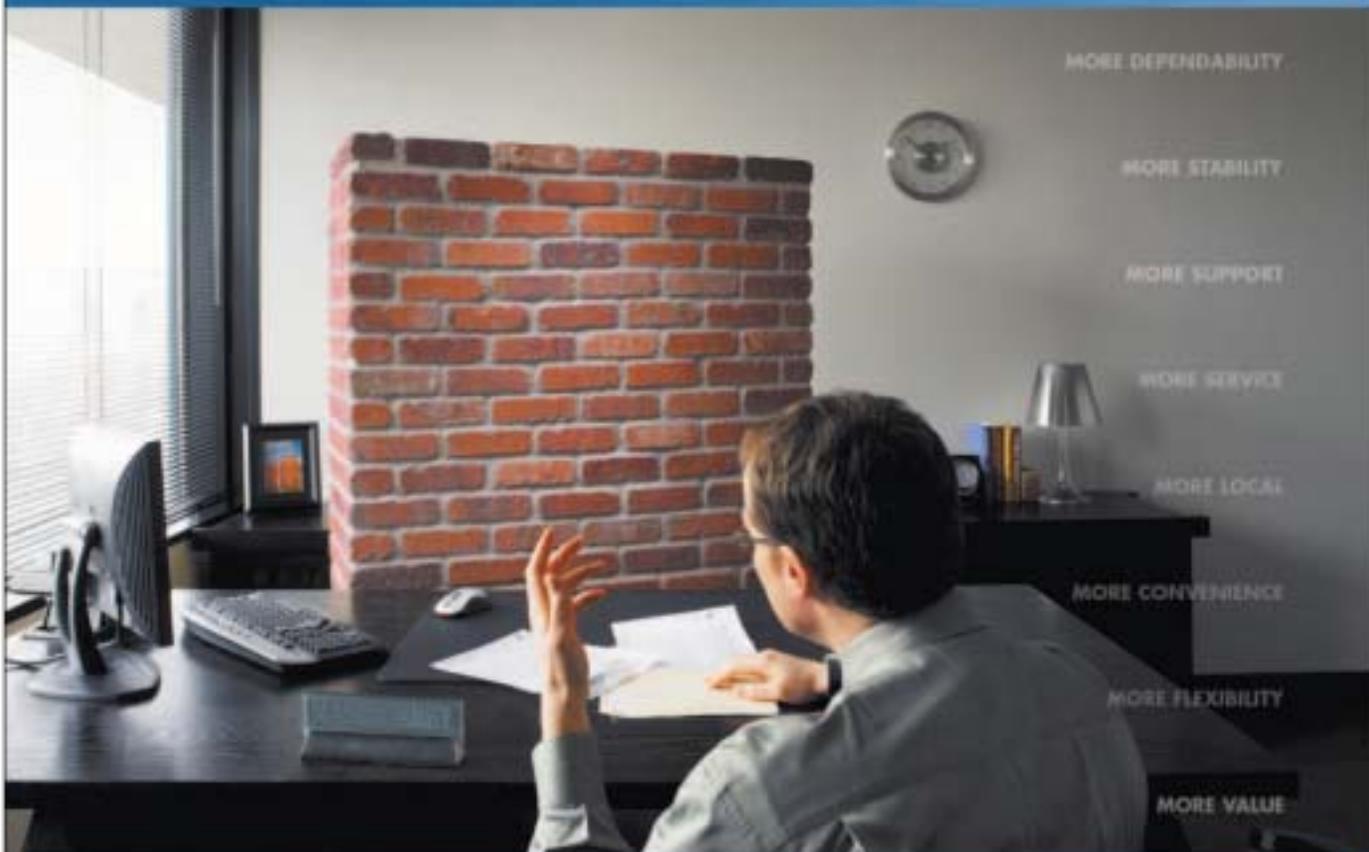
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