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Richard Johnson
Chief Financial Officer
The Smith Center



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Shame on the Teachers Union

In the end it's the teachers and students that lose.

While classroom teachers have been eating Ramen noodles so they can afford to buy school supplies, teachers union bosses are living high on the hog. Considering that teachers often have to purchase classroom supplies and teaching materials with their own money, and that they're also expected to pay for continuing education classes, their salaries don't stretch very far. But despite their tight budgets, many teachers think that paying dues to the Clark County Education Association (CCEA) is worth it because the teacher's union promises to fight for higher wages. Considering recent media coverage which revealed the outrageous salaries paid to union bosses, dues-paying teachers must feel like they've been taken for a ride. Just one example was Jason Jasonok, who was the Executive Director in 2009 and earned more than \$632,000 from the union and two related organizations.

CCEA, like all non-profit groups, is required to file a Form 990 with the federal government reporting all salaries over \$100,000. A quick look at the form, which is available online, shows that in 2009 (the latest figures available), the union spent more than 30 percent of its budget to pay just nine leaders. The total budget for the year was around \$4.1 million, and \$1.5 million of that went to pay union bosses. Unions in similar-sized districts spend between three and 7 percent of their budgets on leadership salaries. Jasonok retired in 2010 and was replaced by a new executive director, John Vellardita, who claims his salary is less than \$160,000. Buy since he refuses to disclose exactly what it is, we'll have to wait for the next Form 990 to find out for sure.

Perhaps just as disturbing as the high salaries, was the union's reaction when the cat was let out of the bag. They accused Clark County School District (CCSD) Superintendent Dwight Jones of launching a negative public relations attack against them. Since when did telling the truth equate to an attack? Unless of course, they had information they'd rather their members not know about. If the hard-working teachers entrust them with their scarce dollars, they need to be held accountable for where that money goes and who is being paid what.

But there's more at stake than just the union dues. The CCSD gives hundreds of thousands of dollars each year to the CCEA Community Foundation, which administers grants that fund specialized classes for teachers- education they need in order to qualify for pay increases. Although the foundation is separate from the union on paper, it was founded by Jasonok and staffed with union employees until he retired. CCSD is now demanding that the foundation provide "reliable accounting" for \$2.4 million in taxpayer money, our money, given to the Community Foundation between 2006 and 2011.

The CCEA is one of the state's most organized and powerful unions. They have a long history of blocking much needed educational reforms by focusing on the teachers, rather than the students they teach. Our schools are in crisis and it's time we stopped letting the teachers union stand in the way of meaningful reform, such as charter schools, merit pay and firing bad teachers. Even if you don't have children in the school district, you still have a dog in this fight. The economic prosperity and development of our state is directly related to the success of our educational system.

At press time, CCSD and the union were deadlocked over the terms of a new contract for teachers, but neither side seems interested in changing the fundamental way teachers are compensated, which is based on seniority instead of their success in teaching our children. Until we put our students first, and as long as the union is in control, our teachers and students are both set up for failure.



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COVER STORY

Tourism

Welcome Back

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City of Henderson



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TOURISM

> Welcome Back

By Jennifer Rachel Baumer

Nevada's travel and tourism industry employs one-third of the state's population. From hospitality to gaming and from the "What happens in Vegas Stays in Vegas" campaign to Northern Nevada being America's Adventure Place, the Silver State has been promoted as a world class destination. At the same time, "diversify" has become the State's battle cry over and over, with warnings that Nevada can't exist on only gaming, tourism and mining. Even so, mining is one of the few industries that remained strong through the economic recession and travel and tourism in Southern Nevada is contributing strongly to Nevada's economic recovery.

Come One, Come All

In January, President Obama laid out the National Travel & Tourism Strategy to lure visitors to the U.S., hoping to capitalize on the world travel market and create new jobs in our country by increasing international travel. Nevada is looking to do its part, happy to greet both foreign and domestic visitors.

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The recession coupled with higher airfares and the fluctuating (often rising) price of gasoline caused a significant drop in visitors to the Silver State in 2008, followed by new lows in 2009. But in 2010 visitors started returning, driving in more often than flying, but staying about as long as they had in 2007, before the downturn.

“We’ve shown many signs of recovery,” said Cathy Tull, senior vice president of marketing, Las Vegas Convention and Visitors Authority (LVCVA). “There were increases in average daily room rate numbers in 2011, 38.9 million visitors in 2011, and that’s comparable with 2007 levels in Vegas, and the industry itself created 15,000 new jobs since late 2009.”

“I think the current status of tourism in Northern Nevada is OK, with brighter prospects on the horizon,” said Christopher Baum, president and CEO, Reno-Sparks Convention and Visitors Authority (RSCVA). “From a national perspective, people are traveling in bigger numbers and as we do a better job of defining who we are and what

makes us unique, we’ll be able to tap into that willingness to travel and bring in a lot of people who haven’t been here for a while, as well as people who are new to the region.”

Toward that end RSCVA launched a new campaign in Northern California in March, expected to generate considerable buzz. The campaign asks, “What’s your passion?” It implies that whatever visitors want to do, Northern Nevada can deliver.

According to information compiled by the research department of Nevada Commission on Tourism, third quarter 2011 saw 13,737,106 visitors coming to Nevada, a 2.6 percent change for the good, up from the statewide total in 2010 for third quarter, 13,390,647. Broken down by region, 10,057,451 of those visitors were in Clark County, and 1,260,884 in Washoe County, with the remaining 1,594,793 visitors checking out Nevada’s rural attractions. In case that sounds like rural counties are discounted, total overall travel spending in rural counties in 2010 was \$2,332 million, down from 2007’s \$2,707 million but up from the 2009 low of \$2,142 million.

The number of visitors to Clark County in 2011 made the year second only to 2007 in visitor volume (in 2007 Las Vegas played host to some 39.2 million visitors). Weekend occupancy for 2011 in Southern Nevada was nearly 90 percent, according to LVCVA.

A year-long survey of visitors to the Reno/Tahoe area (conducted by EMC Research, Inc., for RSCVA), revealed most visitors spent \$614 per person per day. Those who visited for gaming spent more – \$1,046 daily. Additionally, 81 percent had favorable experiences and 72 percent wanted to come back. The majority came for vacations, and they drove to their destination.

But Northern Nevada isn’t bouncing back to 2007 levels of travel and tourism. Baum doesn’t expect the Reno/Lake Tahoe area to see gaming return to what it was. With the change in gaming laws across the country and the number of Indian gaming casinos that visitors from California pass on their way to Nevada, gaming is something that will happen once visitors are here, not something with which to lure them.



Cathy Tull
Las Vegas Convention
and Visitors Authority

“If we offer them gaming when they’ve got gaming closer to home, that’s not a very compelling pitch,” Baum said.

What the area does have to offer is a unique combination of resort amenities in a mix that’s hard to find anywhere else in the country – a wide array of special events, world-class sporting opportunities and breathtaking natural scenery paired with great spas, restaurants, nightspots and casinos.

As a destination, the Reno/Tahoe area has traditionally attracted drive-to tourism; 39 percent of the area visitors came from California.

Southern Nevada hasn’t traditionally had as much drive-to traffic as the Reno/Tahoe area, but drive-to visitation in Las Vegas has reached its highest levels in the last five years, according to Jan Jones, senior vice president, Caesar’s Entertainment. “Part of the reason could be that flights have gotten very expensive and a lot of the air carriers have reduced the number of flights. But overall, people are still coming to the city, they’re coming in high numbers, and we’re seeing stabilization.”

Despite the cost of flying and the increased drive-to traffic, McCarran International Airport saw a 4.3 percent increase in 2011, with slightly fewer than 41.5 million passengers. Reno/Tahoe International Airport saw a one percent change for the good with 1,037,228 passengers third quarter 2011.



Christopher Baum
Reno-Sparks Convention
and Visitors Authority

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Conventions, Meetings and Midweek Room Rates

Conventions and meetings introduce new visitors to Nevada year round, and as much as Nevada loves conventions, convention organizers need to love Nevada. When proposing meetings, conferences and conventions, organizers need to know what's in the area for members to do during their down times. Giving convention members great things to do during their time off means many of them return for fun.

"Many times a convention is the first time someone has come to Las Vegas," said Tull. "Then they come back as a leisure traveler."

Las Vegas played host to 19,000 conventions in 2011, 6 percent more events than in 2010, bringing in almost 5 million visitors. "In 2012 we've already seen record attendance for shows and large conventions, so conventions are already showing good numbers this year," said Tull.

Weekends fill hotels with leisure travelers, Jones said. The way to maintain high occupancy during midweek is to ensure there are enough conventions and meetings in town. "That's where the partnership with the Convention Authority has been incredibly successful – Las Vegas remains the number one convention city because everything is centrally located and there's so much for their members to do when they're not meeting."

Las Vegas reported a citywide occupancy rate of 84 percent even during 2010 as the city was host to 8.8 percent more business travelers (LVCVA). Average daily room rate in 2012 is up 13 percent in Southern Nevada from 2009's lows, but not back to 2007 levels.

Keeping convention and event organizers happy is as important as bringing them to Nevada in the first place. In Southern Nevada Jones says it's imperative a new arena is built in the next two to three years. The current major arenas in the area are the Thomas & Mack Center at UNLV and the Mandalay Bay Events Center, both more than 20 years old and not capable of being retrofitted. "They could never accommodate NBA

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LUXURY AUTOS

By Howard Riell



Nice Ride...

Like soldiers crawling out of foxholes once the shooting has stopped, Nevada's various industries are, one by one and in their own time, getting to their feet, dusting themselves off and resuming the march ahead.

Inevitably, some business sectors are coming back faster than others.

For Nevada's luxury car industry, for instance, the prognosis for a full recovery is good. Pent-up demand, easier credit, societal shifts, more eco-sensitive design and a seemingly un-

quenchable thirst for living large point to a steady recovery through 2012 and beyond.

"You know, it's good," says Tyler Corder, Chief Financial Officer of the Findlay Automotive Group in Henderson. "It's improving, 2011 was

much better than 2010, and this year has started off much better than 2011, so it's all good unless you compare it back with pre-recession. It's probably not completely recovered, but we're very pleased with specifically what we consider the luxury stores that we have: the Land Rover store, a couple of Audi stores... and a Cadillac store. All of those sales are up year over year."

Fueling the growth, Corder believes, is first and foremost the greater availability of credit. "There was a period there where it was very, very difficult to get auto loans approved, so it took a number of people out of the market who could afford luxury vehicles. Credit is much more available now, lenders are making loans, so I think that's helping to drive the business."

Corder sees the entire auto industry benefitting from pent-up demand. Many Americans, have stayed out of the market for the past couple of years, he notes. "Now their cars are aged a little more and they're back in the market. so we're seeing significantly improved traffic in our showrooms."

Gary Ackerman, Chairman of the Gaudin Automotive Group in Las Vegas, agrees the luxury auto segment is recovering, "but slowly" together with that of the community's overall economy "which has started to bounce off the bottom. We see that trend not only in our luxury brands but also in our Ford brand. The industry as a whole for 2011 was up for the first time in seven years."

The most recent market intelligence tells Ackerman that his luxury brands, Porsche and Jaguar, are up for the first time in about seven years, as well. "I assume the others are, too, and it's not a large increase. The industry's increase last year was about 8% at retail; it does not include fleet."

Also clearly helping to move the needle is pent-up demand, "not only in the luxury segment," Ackerman points out, "but all across the board. People were waiting because of the economy.

As a result, there are cars out there in the marketplace that are far older, with far more miles, than is normally the case."

The health of the segment is "excellent," says Shane O'Hanrahan, General Manager of Desert BMW. "I think there is some pent-up demand based on the economy over the last couple of years." Manufacturers, he adds, have also done

a good job of increasing and improving their incentives to adapt to the market. "For example, the lease specials are extremely competitive now -- and that doesn't just go for BMW, it goes for all brands. They all have that common goal: they have to sell cars, so they're going to do what they need to do."

Desert BMW had seen new car sales drop between 40% and 45% during the

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Gary Ackerman
Gaudin Automotive

worst of the recession, O’Hanrahan says. Fortunately, consumer optimism has come back along with the segment.

“Every industry has kind of bounced back except, obviously, the real estate industry, and there are pockets of that that are actually doing well. Construction and real estate are the big ones.”

That said, he adds, hotels have come back, as have big banks, “which is really, really good for us. The entrepreneurs are starting to do a little bit better. Doctors probably stayed the same all the way through; attorneys realistically probably had some of their best years.”

What’s in a Name?

Exactly how are we defining luxury autos? O’Hanrahan says the label refers to those models selling for \$35,000 to \$150,000.

“I don’t know that there is necessarily a definition,” suggests Corder. “We look at it kind of how the manufacturers view themselves, as being premium brands. Cadillac, Land Rover and Audi certainly, although there are a lot of luxury brands in other model lines. Even Hyundai is coming out with its Genesis product, which would be a competitor to some of that.”

People that he consider to be executives, “high-end people, are certainly looking at the Audi product,” Corder relates, “and certainly the competitors there are BMW and Mercedes and Lexus. But I think the hot product now, at least from what we can see, is Audi.”



Shane O’Hanrahan
Desert BMW

Conserving Resources

On a less economic and more visceral level, Ackerman says, change is being fueled by societal evolution “as our needs shift as a culture, driven mainly by higher gasoline prices.” Within the luxury segment there may be a permanent shift in what people perceive their responsibilities are.

“It used to be that, especially in our city, the biggest, the loudest, the glitziest was what people wanted,” Ackerman explains. “Now we’re seeing people who have plenty of income making the proactive decision to move from, say, a full-size four-door sedan luxury car like an S Class Mercedes or an XJ Jaguar to the middle class. Maybe they just don’t want to be excessive.”

There are, however, far more of those models in those segments available today than there were seven or eight years ago. Some luxury car manufacturers are moving upscale, Ackerman says. “Hyundai, Volkswagen, and other ones that I can’t think of off the top of my head are entering the – I hate to call it the bottom end of the luxury market, but that’s really what it is.”

Luxury car manufacturers are, of course, aware of the shift moving downstream, he adds. “Look at BMW as a good example. They have the 3 Series BMW, and now it is no longer the entry level to their segment. They have very small SUVs, much smaller sedans, and less expensive ones. They’re protecting the lower end of their segment from being attacked by regular car manufacturers who are now pushing up, following their customers upstream so that they don’t lose them.”



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Tyler Corder
Findlay Automotive Group

Car makers' response to environmental concerns is also causing current and potential luxury buyers to take notice.

"Absolutely," says Corder. "If you look at the Cadillac Escalade there is a hybrid model of that." Overall, he says, the effect of the green movement on luxury cars has been negligible. "I don't see a real impact there. We see that the market is pretty fickle. If gas prices keep their climb and get up to \$4.50 or \$5 I think you'll see that all of a sudden Priuses will be pretty hot again. But when gas prices drop people forget that pretty quickly, and get back into less fuel-efficient cars."

Driving Nevada

Ackerman believes Nevada's uniqueness is probably not just confined to the luxury segment. "I think our economy still is one of the weakest in the country, and I think it's going to stay that way for a while." As proof, he points to the state's housing statistics. "Yes, the casino industry is the engine that drives our economy for the most part. But we now are a big enough community where the construction industry dramatically affects people who are not linked to the casino industry. We're not going to see any huge new home developments until these 80,000 vacant homes are disposed of. I think that will have a dramatic effect on what happens within the luxury car segment."

Ackerman, like others, also believes that ecological sensitivities, both mandated by federal and governments' policies and pushed by Americans' sensitivity to the issue, will start to drive more new entries. This "will actually run counter to the economy because these are entries that weren't available five years ago. Our

new Fisker brand is a perfect example of that: the car is only available as a plug-in hybrid. It is the first and, for a while, the only full-size luxury sedan. We're getting quite a bit of traction, even in this economy, for this brand new car because there is nowhere else where people have a mindset to turn right now. I think you'll see that change quite dramatically in the next 24 to 36 months."

Las Vegas "in particular is a very 'show me' city," says O'Hanrahan. "People will sacrifice even where they live to have a nice car. They would rather have a larger percentage of their income go to a car than the address they live at. We see a lot of that."

Beyond that, Las Vegas is a town in which a lot of money changes hands, he

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Nevada's Staffing Firms have had front row seats to one of the most troubling aspects of this economy: unemployment. Despite that, they have found more and more employers are hiring and a demand for skilled workforce has remained strong. Recently, executives representing this industry met at Holland & Hart's Las Vegas office to discuss staffing in Nevada and what is expected in the future.

Connie Brennan, publisher of *Nevada Business Magazine*, served as moderator for the event. These monthly meetings are designed to bring leaders together to discuss issues pertinent to their industries. Following is a condensed version of the roundtable discussion.

What areas of employment are in high demand?

Michael Park: The IT (information technology) industry seems to have bounced back. It's challenging to find individuals with certain skill sets that are matching that. It's an interesting dynamic for all of us. When we see things change in our economy there are businesses that boom. The medical and legal industries have obviously increased with their needs. It seems to me those two things go with how our economy has worked, but I

have seen a very big bounce back in our IT marketplace.

Jennifer Dehaven: I agree 100 percent. It's just finding the candidates. If you want to point your kids in the right direction, point them into IT definitely.

Sara Allred: It's security.

Dehaven: Also, IT in healthcare is a really big one.

How competitive is this industry?

Park: Our industry had given people who were in upper management the opportunity to start their own companies and get involved. Then the economy changed and there were companies that couldn't survive these times. Our competition level amongst companies has shrunk.

Bob McDaniel: I agree. You really have to have had some structure behind you in order to have survived the downturn. So there has been a shake out. We all play nice in the sandbox. However, we do compete vigorously. At the end of the day, we all make sure that we're providing the best available talent to the client.

Damian Garcia: It speaks a lot for the team and those managers to have made it through the downturn and still provide quality candidates. So, opposed to the pointing fingers

or throwing food across the table, we know, just by being around, a little bit about our business. We can respect that and still have healthy competition.

Tim Menifield: With the challenges we were forced to look at, we had to do some retraining. A lot of things changed. Legislative structures forced companies to take a look at revenue streams. Keep in mind, the competition is not just within this room. It's with some intrinsic items, things along the lines of tax legislation that make things more challenging. You have to look at what has happened to the overall economy and what that has forced businesses to do.

Will unemployment numbers get back to single digits?

Dehaven: I don't know about single digits.

Frank Woodbeck: It went down 2.3 percent from 14.9 [percent].

Allred: So optimistically, let's hope we can match that again. I would love to see that.

Woodbeck: The two largest segments of unemployment are construction and hospitality. The construction industry lost about 94,000 jobs during this recession and 12 percent of our employee base was there, the norm is five. It's going to vary, but 60 to 80,000 of the unemployed are in the construction industry. So we're looking for ways in which we can retain those folks and redirect them into other areas because construction is not going to come bouncing back in the next half decade. It's very difficult to attack that 12.6 unemployment number in huge bites with that core still being there. It's a tough one.

Do you have to go out of market to fill positions?

Dehaven: Absolutely. It's just a matter of looking at the ratio of the people that have the right certifications and degrees to fill what is absolutely becoming a growing demand here.

Garcia: The work force out there is not matching up with what our clients still need.

That trickles down to a lot of different functional roles, but the more specialized areas are where the challenges are. That is where we are having a hard time finding the best, because they are at three and a half, or four percent unemployment.

Woodbeck: One of our largest challenges over time has been choosing what to provide training in. We're trying to create demand and market driven programs as well as certification programs. With investment of development and training resources into other programs like this we move forward. We'll transfer some responsibility for this investment from reserving funds that we're trying to use into all Workforce Investment Act funds.

What kind of incentives does Nevada offer employers?

Woodbeck: We launched the Silver State Work Program to serve employers looking for individuals with certain skill sets. It allows them to interview and train employees over a period of time and keeps them on the unemployment rolls. During that time we provide up to \$2,000 per employee to help in training. We have about 860 people that we've put through this plan over the past six months since it launched in July. It's been very successful. Secondly, there's a program called Training Employees Now in which we subsidize and join with the company in the training of new employees. Also, if a company is expanding they can come back to the Economic Development Commission and gain training funds for their expansion. There are a variety of ways we can work hand in hand and incentivize a company.

Garcia: I think Nevada does a great job when it comes to Nevada Job Connect, the state works program. As incentive for employers to bring their business in here and because there is plenty for Job Connect to do in helping employees and making it attractive for employers to do business in Nevada. Even if they get their people through the Nevada Job Connect, they will probably need a few people that are more specialized and that may be one of the things our firms can help with.



How has the internet affected your industry?

Park: It has a dramatic effect and is a huge challenge. We've gone from the paper world into technology world with about 90 percent of companies having online applications. There are 94,000 construction people who are probably used to a paper application process. Some of the challenges and phone calls that come in say, "Help, where is the drop down, how do I move from this aspect in doing that?"

Allred: Social media has had a big impact. There is a lot more information about people including myself. Employers can actually prescreen and look at your Facebook page, not just LinkedIn, which has been a wake-up call for a lot of people.

Hall: We're seeing a lot of claims dealing with privacy issues and possible discrimination. The National Labor Relations Board is really tightening on that. We're seeing a lot of issues with privacy and helping guide companies in what they can look at and what they can't. Also, if on-line applications are being used, companies must remember to make sure they are making applications accessible for the disabled, like the blind, for example.

McDaniel: This is a whole electronic dynamic. As staffing agencies we have to be

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Serenade Choreography by George Balanchine © The George Balanchine Trust
Photo by Jeff Speer

cognizant of what we do to utilize the tool that particular candidate would like to communicate in or with, whether it be email, text or home phone. We're trying to fit in to this electronic world.

Garcia: I think it's an education for the candidates looking for work. They have to understand that they're branding themselves with everything they put on-line. It's not just a resume anymore. They still put things out there and they are just not getting calls anymore. It's an important education for those applying.

Hall: The basic law on the social media issue is, if it's available publically, in other words, the employer doesn't make a trip to become a "friend", then they have the right to look at it. That is the basic law in Nevada. Now, there is a different law in different states. If they make it available and someone can Google it they can look at it. Flipping hats on the other side, from an employer perspective, there is dangers in doing that. I try to lean my clients into not doing that until after they have done a conditional offer.

What is the most common mistake employers make?

Hall: The most common mistake is wage and hour issues because the statutes are so complex and difficult. A recent study found that only 10 percent of Fortune 500 companies were in full compliance with wage and hour statutes. So it's really hard for small and mid-sized companies to fully comply. What we see the most of right now is discrimination retaliation, age and disability discrimination cases. They are going through the roof. We're seeing a ton of that and not finding a lot of merit to it, but there are a lot of people when they don't have a job and they are laid off, they don't understand, they think it's unfair, they make claims. It doesn't mean its discrimination, but we're seeing tons of claims from that.

McDaniel: Are you seeing any cases on wages and hours come up?

Hall: All the time. The second fastest growing area in employment litigation behind discrimination retaliation is wage and hourly. We're seeing a ton of class actions. Nevada has a very unique hour and wage structure.



We have an eight hour day, 40 hour week, one and a half times minimum wage and you don't have to pay it. It's hard for employees to grasp. I could have the exact same employees, one qualifies and one doesn't and they are in the same position. The idea that one gets minimum wage is difficult and easily missed. So wage and hour is the place where it's easiest to make mistakes.

Dehaven: In our industry it's changing every week. So it's very difficult to put into two different classifications.

What is the advantage of using a staffing firm?

Andy Katz: It's flexible for employers and companies to use a service rather than committing to permanent staff at this point, because who knows what the economy is going to do. There is positive signs out there. We all feel it's the worst it's going to be, but while it's growing, while companies are seeing positive signs, bring in the flexible staff before they commit to hiring on permanent.

Dehaven: Not only that. We all have the peaks and valleys of business and industries, so that is where temporary staffing, helps fill that gap without making permanent employment decisions. You can bring in a temporary work staff that will help fill in those gaps. That is the beauty of it.

Garcia: As we look at the cost factor, would

you rather have us doing it for you and bill you hourly or have someone who makes \$60 to \$70,000 take 10 hours a week to fill one spot. You have to weigh both costs.

McDaniel: There is a reason why you get large companies like NV Energy, Southwest Gas, IBM, Xerox and other companies using staffing companies like ours for long term placements. I mean for individuals that are on assignment for a year, two years and so forth. It's because it's inherently less expensive to use a staffing company than it is for them to bring on an employee on either a direct hire basis or permanent. They are not bearing the cost of health plans and all that other stuff. So when you add all those things together, they are very positive reasons why I would encourage companies to utilize staffing companies.

Park: I want to take it from another side, why an employee should really look at a staffing company. I've trained my people everyday to ask if they are registered with other companies. Why wouldn't you register with three others? That means that you have three or four recruiters who are proactively looking just for you. That opens the tight market. I have always encouraged that. They can be at home, take 20 to 25 minutes per company to register, next thing they know they have more opportunity in front of them.

What do you find is the biggest frustration for a business when hiring?

Allred: I would say work ethic; finding someone who is going to be reliable, on time and that really goes the extra mile. That sounds shocking given the state of the job market, but it's still true. There are still no-shows happening. I've seen it across the board, on an eight dollar an hour warehouse worker up to a \$50,000 a year accountant.

Menifield: In my observation when companies are going through a dire time with the economy they retain all the good employees with good work ethics. The first that were let go were the ones considered expendable for the reasons mentioned.

Hall: I can tell you from personally working with companies during layoffs, that when they come in and say we're doing layoffs and here is our selection criterion, it's almost always based upon some evaluation that there's a reason to cut them. We have to always watch out for discrimination in age, particularly as it relates to salary. There is a correlation between the high salaries and age and they often run into a problem where they cut too many by age. That is always a rough thing.

What questions should a business executive ask when looking for a staffing firm?

Dehaven: It really comes down to who you're looking to hire and what kind of assessments need to be given to make sure they are getting the right person for the job. There is a lot of under-skilled

and also a lot of skilled individuals that are out there. So it's a matter of going through and understanding which assessments are necessary for the open positions that the client is coming for. Some of us are more equipped in certain industries with those assessments than others.

Park: A Fortune 500 company isn't going to ask the same questions that a company in the private sector is going to. The private sector is going to ask questions about skill sets, how quickly this person can be here and how dependable they are. The bigger companies are asking questions like metrics, turnover, retention and all those tools. At the end of each quarter they want a report that tells them, out of the 300 people you provided our company, what is making them stay here, what is driving them away. Each client is going to be specific on what they are wanting from any staffing company.

Garcia: In order to make a good match

I ask my employers to be sure of what they want and be specific in details. It goes back to partnering with a business. They see value in what we do. They will spend their half hour with us to get into the details of what they are looking for. It makes all our jobs easier. Employees get there and are skilled and matched well with their employer. We can actually have a win-win scenario. Investing time is important. You can't just open the phone book and ask what the rates are. We get those calls everyday. We won't even offer rates because it's not what we do.

McDaniel: The one question I would ask is what your value is. That is something that all of us are communicating here, that value of using a staffing. There are a myriad of reasons for that. A client wants to know what is in it for them: what you are bringing to the table, what you are going to add and what are you going to take off my plate? 



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Deriving Value from Patents

Legal Challenges and Strategies for Handling Them

A United States patent grants the owner an extraordinary property right. In exchange for the patent's teaching of how to make and use a patentable invention, the patent grants the patent owner the exclusive right to seek to exclude others from exploiting the invention. Patent owners can use this exclusion right in a variety of ways. In addition to using a patent to exclude others from the market or as defensive armor to fend off patent attacks by others, the patent owner can sell the patent to another, use the patent to engage in business combinations such as mergers, acquisitions, and joint ventures, or license the patent to one or more others in a wide variety of ways.

Patent sales, related business combinations, and licensing can be remarkably lucrative indeed. Considering licensing as but one example, IGT generates hundreds of millions of dollars per year in patent licensing revenue. For decades, IBM – long considered the most prominent licensor in the world – has generated many billions of dollars annually licensing many of its patents.

However, using a patent to drive a patent sale, business combination or license involves a number of risks. Unlike real property boundaries, which are relatively easily described and precise, patented boundaries are difficult to describe with words and complex patent laws rule regarding their use. As a result, the scope of a patent can be subject to dispute as can the validity or enforceability of the patent. Since a court dispute over a patent not only involves unusually complex rules and procedures but also typically places at least a product or service line at risk, the costs of bringing a patent case to trial typically costs each party to the dispute in excess of one million dollars, excluding the cost of an appeal or other proceedings, such as patent reexamination in the Patent and Trademark Office.

This reality can help lead the parties to resolution such as a patent sale, license, or business combination. It also can present serious traps and problems for the patent owner in seeking to accomplish these ends.

Rightly or wrongly, patent law presents substantial and unique challenges when engaging in discussions about patents. Understanding these challenges can be critical in preserving patent rights and achieving the objectives sought by the patent owner.

Often, the patent owner is the one who identifies a potential infringer. The question can then become how to approach the potential infringer to drive a deal involving the patent. The answer is: carefully. Even then there is risk that the patent owner may wind up being dragged into court, and in an unfavorable location, by the infringer.

Under U.S. law, someone accused of wrongdoing often does not have to wait for the accuser to bring the matter to Court. The accused party often can bring a “declaratory judgment action” in the courts and force the accuser to litigate the matter to conclusion. So it is in patent cases. Under the U.S. Declaratory Judgment Act, a Federal Court may grant declaratory relief when there is “a case of actual controversy” regarding patent infringement.

Until recently, well established patent law had created a way for patent owners to discuss patent issues and potential patent business arrangements without subjecting the patent owner to declaratory judgment action by the potential business partner. The Supreme Court reversed this rule in 2007. At that time, the Supreme Court held that, even if the patent owner has actually granted a license under the patent to the potentially infringing party, the licensee can nevertheless bring a declaratory judgment action against the patent owner if circumstances indicate that a real controversy exists between the parties regarding patent infringement.

Clearly, discussing whether to enter into a business deal regarding a patent with a possible infringer involves substantial risk of being dragged into court by the possible infringer. Worse, this risk also includes the possibility that the declaratory judgment plaintiff can often bring the action in a forum of its choosing.

In litigation, generally the first to file a complaint in court enjoys the advantage of selecting the forum. This advantage can be particularly significant in the context of intellectual property litigation. Patent discussions with a potential infringer can therefore not only result in undesired litigation with the potential infringer but also in an unfavorable litigation forum of the potential infringer's choosing as the first to file.

There are strategies when seeking to discuss patent transactions while minimizing and possibly eliminating the risk of facing a declaratory judgment action. These strategies can include reaching an agreement between the parties that no party will bring a declaratory judgment action based on business discussions to come and filing an infringement action before negotiations commence.

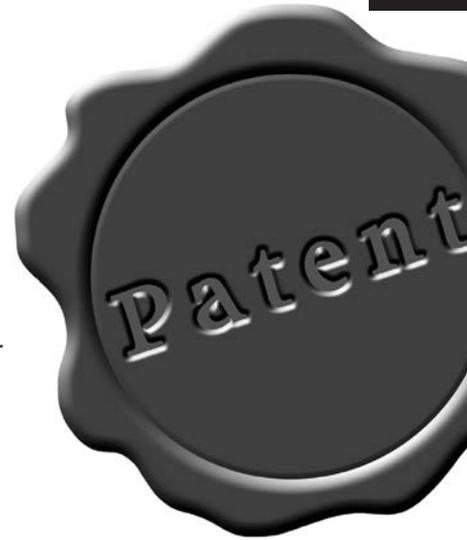
In any event, when considering discussing a patent with a potential infringer, the patent owner should be aware of the risks and options for proceeding. A strategy should be determined accordingly. 🌟

Robert C. Ryan is a partner and patent attorney at Holland & Hart, LLP, based out of its Reno office.

Jerry M. Snyder is an attorney at Holland & Hart, LLP, also based out of its Reno office.

America Invents Act Significantly Changes Patent Law

Understanding the New Law



Thanks to the recently-passed America Invents Act, Nevada businesses may find it easier to get “patent pending” status for their inventions, but the race against competitors has not yet begun.

Perhaps most notably, the Act will transform the U.S. patent system from a “first to invent” to a “first to file” system, the first major reform of the patent system in over 60 years. Under this new system, the first inventor to file a patent application will be entitled to priority, regardless of whether that inventor was the first to invent. The shift to “first inventor to file” is aimed at improving certainty in the patent system. For priority purposes, only the date of filing will need to be determined, not the actual date of invention. Further, the majority of other countries already follows this “first to file” system. This shift will bring the U.S. into conformity with those countries. This change will become effective March 16, 2013, giving inventors less than a year to prepare for what may turn filing for patents into a race to the Patent Office.

Recognizing that startups, small business, and first-time inventors may be disadvantaged in such a race, the Act attempts to level the playing field by lowering some fees for what the Act calls “micro entities.” Before the passage of the Act, “small entities”, such as independent inventors, non-profit organizations, and companies with fewer than 500 employees, could qualify for a 50% reduction in filing fees. Soon, micro entities will be able to qualify for a 75% reduction in filing fees, significantly reducing a financial barrier to entry. To qualify, micro entities 1) must qualify as a small entity, 2) cannot be named as an inventor on more than four previously-filed applications, 3) cannot have a gross income exceeding three times the median household income, or about \$150,000, and 4) must not transfer ownership to an entity that has gross income exceeding three times the median household income. Inventors at institutions of higher education may also qualify as micro entities.

Once a patent application is filed, the process typically only includes the inventor, the inventor’s patent attorney, and a patent examiner from the Patent Office. Before a patent issues, the patent examiner must determine that the invention is novel (new in all the world), non-obvious (not merely a combination of existing technol-

ogy), and useful. Third parties are able to submit “prior art” (documents like previously-filed patent applications, issued patents, and other printed publications) to the Patent Office in hopes of convincing the patent examiner that a patent should not be issued because the invention is not novel or non-obvious based on the submitted prior art.

While third party submissions may seem like a powerful tool in stopping competitors from patenting undeserving inventions, they are rarely used in practice. Before the Act, third party submissions could only be submitted without comment, and few parties were willing to let the Patent Office interpret their submissions unguided. Later this year, the Act will permit third parties to submit prior art with comment — all while remaining anonymous. This change is likely to introduce more third party involvement and is intended to increase the quality of issued patents.

Wise businesses will recognize that intervening in their competitor’s patenting process means having a hand in their own fate. Today’s patents turn into tomorrow’s costly litigation, and the Act provides several opportunities to shape that litigation or even head it off entirely. Third party submissions must be made before the patent issues, and two new procedures allow challenges to an issued patent: post-grant review and inter partes review. Post-grant reviews can be sought within the first nine months after a patent issues and can raise a wider variety of challenges than the inter partes review, which can be brought starting at nine months after the patent issues. If litigation is the cure for patent infringement, then these new options can be the prevention.

Finally, if a business finds itself defending a patent infringement lawsuit, the Act provides some new defenses, like prior commercial use. And for patent holders, products can now be marked with a URL that points to a website listing of the patents that protect that product, rather than listing the patents on the product itself. Accordingly, the patent system has shown its flexibility and resilience through tremendous advances in technology. Expect the Act to define the U.S. patent system for years to come. 

Derek Jamison is an attorney with Armstrong Teasdale who practices primarily in Intellectual Property Law.

NO!

YES!

Is the mining industry paying its fair share?

In 1989, voters approved a constitutional amendment to the net proceeds of minerals tax of five percent which capped this tax at five percent in the Nevada Constitution. For 22 years, individuals and businesses have seen new taxes implemented and every fee and tax in Nevada raised, many several times. As the price of gold has moved up over 300% to over \$1,600 per ounce, the mining net proceeds tax could not be raised.

Nevadans United for Fair Mining Tax, Inc. simply believes that raising the cap, not raising the tax, enables the legislature to have the mining industry participate when and if taxes are raised on individuals and other businesses.

The idea that Nevada's mining industry has not participated in a tax increase in the last 22 years is even more profound when you consider the fact that they are mining precious metals like gold and silver, a non-renewable precious metal in the ground in Nevada. Nevadans only get one chance at a fair share when it comes to precious metals – when it's gone, it's gone, and the mining companies are gone too. That is the history of mining in Nevada.

Taxes on gold mining companies in the Canada's providences range from 13% to 15%. The tax rate on precious metals mining in Colorado is 2 ¼ % of gross proceeds, plus a 4.63% corporate income tax. The bottom line is that Nevada's taxation on the mining industry is the lowest in the United States, Canada, and many places in the world where precious metals are mined.

Nevadans United for Fair Mining Tax's goal is to let the gold mining industry's taxes be raised when Nevada's legislature and Governor decide to raise taxes in Nevada. This has not been the case for 22 years. 

A Nevada businessman, Monte Miller, is promoting a potential 80-percent tax increase on all mining operations throughout the state. This narrowed focus on one industry is indicative of the shortsighted thinking that has contributed to the state's current economic predicament.

Making our state's budget dependent on one or two industries binds the viability of our state's economy to the cyclical reality of those businesses, an obvious risk illustrated by the recent tourism and gaming downturns and subsequent economic fallout. Likewise, the minerals industry is subject to significant ups and downs. As recently as the first week of March, gold prices fell by nearly 10 percent in just a few days.

Today, mining in Nevada is experiencing considerable diversification. High-demand materials such as copper, molybdenum, lithium and geothermal heat are abundant in our state, and bringing these to market will greatly benefit Nevada's economy. The capital funding for these operations, the resulting job growth from mining expansion and the resulting tax revenues from this growth could all be shut down by the excessive tax liability proposed by Mr. Miller.

Yes, mining should pay its share of taxes—and it does. Currently, mining is one of four industries – along with gaming, banking and insurance – that already pay taxes at a rate beyond what all other state businesses pay. Mining corporations pay the same taxes – sales and use, payroll and property taxes – as EVERY Nevada business, PLUS an additional \$200 million per year in a net proceeds tax that no other businesses pay. Mining industry tax contributions from 2010 through 2011 will exceed \$600 million. While just the ninth largest economic sector in terms of state GDP, mining pays more taxes per employee than the eight leading sectors. Mining does this while sustaining a workforce of more than 60,000 direct employees and supplier employees, and paying the highest average salaries in Nevada.

Mr. Miller is suggesting changes that would hurt the state by asking Nevadans to rely disproportionately on the volatility of commodities to provide the budgetary stability for essential services such as education, public safety and health care. 

Monte L. Miller is the president of Nevadans United for Fair Mining Tax, Inc.

Tim Crowley is the president of the Nevada Mining Association.

QA



Alex Rivlin

Chief Executive Officer, Founder
InsureMonkey
Las Vegas | Henderson

Number of Employees: 24
Years in Nevada: 4
Years with Company: 4

How did you first get into your profession?

Recognized a huge need for consumers to have better access to health insurance coverage and an easy process to shop for affordable plans, compare plan benefits side-by-side across multiple carriers, and enroll seamlessly online.

What would you want your legacy to future generations to be?

A pay-it-forward mentality. The knowledge to know that if you do the right thing every time, and help people along the way, your life will be fulfilling and you will acquire abundant wealth.

If you had to choose another profession, what would it be? Why?

I would love to run an incubator for new start-up companies. I enjoy being around the high energy and free-thinking of early entrepreneurs. I believe that I could provide the business guidance and experience necessary to help people succeed.

What is the biggest challenge your industry is facing?

Consumer adoptions of technology and government regulation are the biggest challenges to bringing quality change to healthcare. For instance, electronic health records will do a lot for improving the quality of care we receive and help drive down costs, but there are significant issues around data security and oversight that the industry is working through. There are also some great primary physician practices where your entire doctor consultation is done online. This model can be a huge benefit to consumers as a secondary way to see a doctor, but many of the practices are struggling to attract that critical mass of consumers.

What was the toughest lesson you've learned in your career?

That people are inherently different, and what is important to one person may not be as important to another. So how you deal with people from a management position has to be specific to each individual.

What is the worst criticism you have overcome?

At 18 years old I owned and managed a business, all of my employees were older than me. Many of them told me that I had no idea what I was doing, and had no right to be their boss. Over the next year, I earned their respect and trust, and I was known in that industry as an innovator that ran a great place to work.

◁ Continued from page 9

or national sports, even though the leagues have now signaled they'd be open to moving teams here if we had a facility," said Jones.

National Finals Rodeo and Country Music Awards, both held in Southern Nevada, have indicated they may pack up and leave if Las Vegas doesn't provide a state-of-the-art facility.

RSCVA under Baum's leadership made a big commitment to the convention market in 2012, pursuing a strategic partnership with American Society of Association Executives (ASAE) which the RSCVA board of directors unanimously approved.

"Going forward we're going to move from being a very low profile player in the convention field to being a very high profile player with a lot of territory – both marketing-wise but also literally – at the trade show for all the people who plan and approve conventions in the country," said Baum.

ASAE is where CEOs and executive directors responsible for deciding where future conventions are held congregate. The new



Howard Bulloch
Compass Investments

partnership with RSCVA means Northern Nevada gets to move from bit player to star. Becoming a more aggressive player in the convention market means Reno can fill 3,000 rooms a night with conventions, a big impact on area business. Increasing occupancy spreads the goodness around, said Baum, because hotels that had occupancy suddenly fill up and other hotels participate in the windfall.

"It's a good thing for the marketplace to have that kind of pressure put on it by the convention market and it does good things in terms of getting rates higher and giving all hotels an increased ability to participate and increased levels of occupancy," said Baum.

And with the new "What's Your Passion?" campaign, hopefully some business and convention travelers will come back as leisure travelers, bringing friends and family for Northern Nevada adventures.

Northern Nevada Attractions

There aren't a lot of new attractions going on in Northern Nevada. Instead, what the area is bringing to light is the area itself: the beauty of alpine lakes less than an hour from high desert and the outdoor activities available.

"There's a market out there for what we have to offer, we just have to do a more compelling job of getting our message across and when that happens,

Reno will become a bigger player in the bottom line for the state of Nevada," said Baum.

While there aren't a lot of new attractions, Northern Nevada does offer world-class shopping experiences from Scheels All Sports to Cabela's, which are considered destination shopping – there aren't that many of the stores in the country. The region also boasts new and upscale shopping experiences at area malls like Legends at the Sparks Marina.

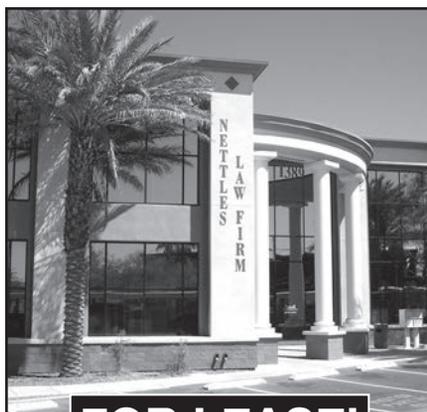
Southern Nevada Attractions

Southern Nevada has something for everybody. Indoor, outdoor or up in the sky, there's something to do all the time in the city that never sleeps.

For those visitors not afraid of heights, the sky's the limit in Las Vegas, or at least it will be. Slated to open July 4, 2013, the SkyVue Wheel will carry 40 gondolas with 20 to 25 passengers per car up and over the Las Vegas skyline. Being created by Compass Investments, SkyVue is a 500-foot-tall observation Ferris wheel. For comparison, the Mandalay Bay Hotel & Casino is 450 feet high. The Wheel will be 50 feet higher, and just as wide as the casino. "It's a massive structure," said developer Howard Bulloch, Compass Investments.

The project, which is under construction across from the Mandalay Bay, will also include 200,000-square-feet of retail and restaurant space encompassing a total of 39.5 acres. During the construction phase, the Wheel is expected to employ 700 construction workers and, once open, more than 500 permanent employers in the retail component. Las Vegas-based Leducor Construction is the contractor behind the SkyVue Wheel.

In addition to planning for new projects, many Southern Nevada casinos took advantage of the lower visitor numbers in 2009 and 2010 to renovate and upgrade their properties, according to Tull.



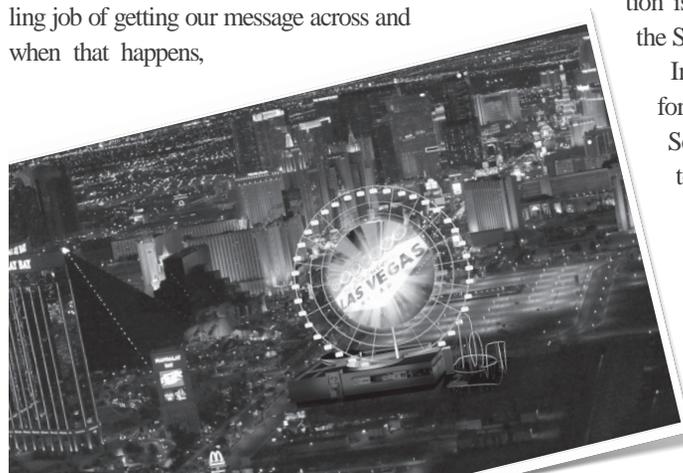
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Kevin Stickleman
Las Vegas Ski &
Snowboard Resort

MGM Grand, Wynn Las Vegas and Bellagio gave their rooms new looks, while the Venetian is renovating its casino floor.

A day in Southern Nevada can encompass everything from 3,000-year-old petroglyphs at the Valley of Fire to a helicopter tour of the Grand Canyon or skiing in the Spring Mountains to the nightlife on the strip. For the visitor who doesn't know just what to do, LVCVA offers online build-it-yourself itinerary tools.

"For a lot of international travelers, Las Vegas is a gateway to the national parks, so they'll fly into Las Vegas and go to the Grand Canyon or Red Rock and move on to Southern California and then fly out of Vegas," said Tull.

Skiing and snowboarding are very popular in Southern Nevada, creating a regional destination draw from the southwestern United States and, strangely, from Hawaii. The Spring Mountains are a destination for skiers taking an annual ski trip, according to Kevin Stickleman, president, Las Vegas Ski & Snowboard Resort.

"It's the novelty of being able to come to Las Vegas and ski," said Stickleman. After all, there's world class nightlife and accommodations, restaurants and shows all located 45 minutes from the ski resort. Las Vegas Ski & Snowboard Resort is 17 miles north of the Strip and 6,600 feet higher in elevation than the Strip's 2,000 feet. The Spring Mountains National Recreation Area is a small island of mountains in the midst of the Mojave that captures storms coming off the Sierra and heading east. "It's almost an accident these are located in the middle of the desert this close to Las Vegas," said Stickleman.

Year-over-year growth for the Resort has been dramatic, said Stickleman, with growth in both season pass-holders and destination guests purchasing lift tickets.

Looking to the Future

LVCVA is anticipating more visitors in 2012, projecting upwards of 40 million visitors in Southern Nevada this year. "We know the spend continues to be off," said Tull. "Consumers are spending differently but we do think we're going to break [previous] visitation levels." As a destination, Las Vegas has experienced 22 consecutive months of growth in visitation, despite the economic downturn.

"Spending by core gaming customers hasn't yet returned to pre-recession levels, but with Las Vegas visitation increasing and several important U.S. economic indicators trending positively, we're cautiously optimistic that these customers will be spending more with us in Las Vegas in 2012," said Jones.

"We need to remember that tourism continues to lead the destination in the recovery," said Tull. "The tourism sector has added 15,000 jobs and employs about a third of the population. Tourism is leading the pack in recovery, and that's a good thing for the tourism side of things."

"I believe this is a destination whose time is about to come in its new iteration," said Baum. "The old gaming model of the past, it will never be that way again, and we need to find the new solution going forward. Our diversity, what we have to offer, makes us extremely competitive. We have a varied product and can really be proud of what we have to offer. If we can market it successfully, we can really be successful. We don't need to create more products, we just need to make sure people understand the product we have right now." 

In Brief

The Nevada State Demographer's Office has released 2011 population estimates. The state gained an estimated 17,152 people from July 2010 to July 2011, an estimated increase of 0.6 percent, approximately equivalent to the increase of 0.7 percent the prior year. Two years ago, Nevada lost 27,677 people, a decrease of about one percent.



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Entrepreneurship
and Technology

Dave Archer

CEO,
Nevada Center For
Entrepreneurship and
Technology

WHAT IS PAPER?

By Doresa Banning



Nevada Embraces Technology and the Companies that Create It

Remember when businesses relied on rotary phones, typewriters and snail mail, when sales were done face to face and clients paid by cash or check? Today's essential work tools are a cellphone, laptop or tablet and the Internet. We have e-mail, videoconferencing, telecommuting, e-tail, PayPal, apps and so much more.

"There are so many technologies to choose from," said Dave Archer, president and CEO of the Nevada Center for Entrepreneurship and Technology. NCET is a nonprofit organization that helps Nevadans start businesses by connecting them to resources.

New and emerging technologies have transformed how Nevada conducts business.

They've accelerated the speed at which we can communicate and carry out business, said Mike Gardineer, president of Technology Business Alliance of Nevada (TBAN), a nonprofit trade organization for people with some connection to technology. For example, rather than filling out, printing and mailing forms to the Nevada Secretary of State for appropriate licenses

or to file articles of incorporation, Nevada businesses now can conduct all transactions with that office electronically, and therefore, immediately and quickly. What once took days now takes minutes.

Technology also has bridged the distance gap between parties, Gardineer said, reducing or even eliminating travel for companies. For instance, meetings can be conducted via videoconference, training can be accomplished through webinars.

Responsible Technologies

Obviously, the Internet and associated technologies, like wireless networks and Web 2.0 and 3.0, are largely responsible for the operational shifts that have taken place. Recently, however, cloud computing has had and continues to have an impact. Businesses have been moving away from applications on their office computers and toward cloud-based services, which include



Michael Gardineer
Technology Business
Alliance of Nevada

software as a service (SaaS) or on-demand software, data management, data access, storage and more.

“The fact that WiFi is ubiquitous now means you can access that stuff anywhere,” Archer said.

One company in Nevada offering data storage cloud services is the data center Switch, in Las Vegas. It also offers cloud services in addition to co-location services and connectivity, to Fortune 1000 corporations, mid-sized enterprises, government agencies and other businesses.

Smartphones and tablets, too, have been revolutionary when it comes to doing busi-

ness. Primarily, they allow you to stay connected and in communication while on the go, wherever you are, all the time. And with new apps emerging all the time, their capabilities continue to expand. For example, in a few weeks, the Office of the Secretary of State (SOS) will unveil a tool that allows people to search the state’s business entity database via their tablet or cellphone.

“A smartphone is the ultimate thumb drive or microprocessor with a little screen on it,” Archer said.

Adoption of certain technologies, like smartphones and cloud-based services, is increasing because they’re affordable. You can get a smartphone for free with a two-year contract. Cloud-based services are available for a low monthly fee vs. the hundreds to thousands of dollars spent in the past for software and licenses for individual users. The prices of Internet and laptops are affordable, too.

“The barriers to entry don’t exist anymore,” Archer said. “Even small businesses are keeping up with the new technologies because it’s so inexpensive to keep up.”

Advances in telecommunications have afforded businesses convenience and greater accessibility, Archer said. For instance, your telephone provider may notify you via e-mail if you have a new voice mail message and allow you to click on a link to listen to it via your cellphone or laptop. Today, Gardineer said, businesses have options when it comes to who they buy their connectivity from and are able to get much faster Internet speeds.

“More and more people don’t have a big phone switch sitting in their office,” Archer added. “Ultimately, we’re going to see the smartphone become the core device.”

Non-cash payment technologies, like debit, credit, prepaid cards along with PayPal and online bill pay, have moved companies away from cash and checks. The next generation of smartphones will be equipped with near field communication, which would allow you to pay for purchases by scanning your cellphone. (With only a touch, they’d also let you connect with and exchange digital content between other electronic devices.)

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What the immediate futures holds for technology used in the workplace essentially is more of the same.

“I think you’ll have instant and very easy access to everything you need, everywhere you are,” Archer said.

The demonstrated interest in getting WiFi in the downtown areas of Reno and Las Vegas speaks to that trend continuing.

New Technologies Created Here

Technology also is changing the types of business that Nevada does. The state is a hotbed of technological innovations. More and more technology companies are starting, and the new and old are launching a myriad of products and services.

“Everything that technology encompasses is a viable option for helping Nevada and continuing its efforts to diversify the economy,” Gardineer said.

Northern Nevada, for example, is home to ShortStack, which builds apps for Facebook, and 3G Studios, an app and video game developer with titles on Facebook, Wii, Xbox 360, PS3, iPhone and Android.

“We are finding businesses here doing things we had no idea about,” Archer said.

Research developed at the state’s universities has resulted in some startups and new research and development projects for local companies. Reno-based Nevada Nanotech Systems Inc. was founded in 2004 to commercialize a sensor technology developed at the University of Nevada, Reno. Today, the company develops and manufactures micro-electromechanical systems-based sensor modules and sub-systems for various governmental and commercial applications.

Optim, also in Reno, provides the petroleum, geothermal and geotechnical industries with economic and accurate velocity analyses within laterally complex geologic environments.

In Southern Nevada, WinTech LLC has developed and launched ALICE, a virtual office receptionist that allows businesses to present live customer service video agents



Ross Miller
Nevada Secretary of State

on kiosks, video displays and other digital signage devices. This then enables one- or two-way video interaction with customers.

Another firm, Romotive, in Las Vegas, builds flexible robotic platforms that interact with humans. One of its products is Romo, a smartphone robot. Also based in Las Vegas are the creators of Rumgr, an iPhone app that brings the garage sale experience to the palm of your hand.

“The opportunities for people to build businesses around creating apps for other people and build businesses using apps created by other people are incredible,” Archer said.

To facilitate business startups and collaborations, the SOS plans to debut this spring digital formation software, technology that would allow businesses to create operating agreements online. It would guide users through series of questions then publish the contract to govern the company.

“It’s feasible that through the software, developers who have never met but maybe want to collaborate on something as simple as an iPhone app, could meet via chat room, agree to the terms through our digital formation software on how to set their business up, form that entity online and run the company without having met,” Secretary of State Ross Miller said.

National Security Technologies (NSTec), a company created in 2006 to run the Nevada National Security Site (formerly the Nevada Test Site), has since been developing, evaluating and testing technologies for national security purposes. Its censor technology can detect radiation from afar and determine its type. NSTec has created

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Mike Butchko
National Security
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techniques for negating multiple detonating devices simultaneously, a technology helpful to our troops overseas. It's also developing the mathematical models to decipher seismic signals to determine whether an explosion is nuclear, conventional or earthquake.

"Except in the areas where the information or things are classified, we routinely transfer the technology to the civilian world," said Mike Butchko, National Security Technologies' chief operating officer.

The characteristics of the newer technologies in NSTec's industry are trending more and more toward miniaturization, high speed and high sensitivity, he said.

Looking to the Future

One downside to all the capabilities technologies have afforded businesses is the need for increasing bandwidth to support them. Satellite, phone and cable operators are struggling now to keep up with providing enough capacity to meet demand.

"With all this technology, the risk that we're going to face as a society, as consumers and as businesses is endless demand for bandwidth," Archer said. "Connecting a myriad of devices to a myriad of things that reside in the cloud requires bandwidth."

Also, Nevada may see more technologies coming out of the universities that are congruent with the needs of Nevada industry. Currently, much of the transferred research goes to out-of-state companies because large amounts of capital are needed to fund continued research and development to get to the commercialization stage. Ultimately, a greater focus on economic development could lead to more Nevada start-



Ryan Heck
UNR-DRI Technology
Transfer Office

ups, collaborations with area businesses and ultimately employment of additional people, said Dr. Ryan Heck, patent counsel and director of the UNR-DRI Technology Transfer Office (TTO). The TTO aims to protect and commercialize the intellectual property produced via research activities at the University of Nevada, Reno, and the Desert Research Institute. (Technology transfer refers to transferring research to the outside business community for commercialization.) To facilitate this, the TTO is inviting members of the business and general communities to share their knowledge. Anyone interested may sign up on the TTO's website.

"I really feel strongly that if we want to have technology transfer succeed and want to create more opportunities for industry to work with UNR, we need to start getting more people on board to help us make those kinds of connections," Heck said. "We'll see more changes dramatically if we can start building bridges." 

SAY WHAT?

The Congressional Budget Office has found that the Affordable Care Act, which was signed in to law one year ago, will now cost \$2.6 trillion instead of the original \$900 billion it was expected to cost. Additionally, a study by the Kaiser Family Foundation found that the average cost of a family policy climbed 9 percent and workers paid an average of \$132 more for family coverage in 2011 than in 2010.



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PROJECTS | SALES | LEASES | LOANS

PROJECTS

Lyon County, Government

Ameresco, Inc. has signed an Energy Savings Performance Contract (ESPC) with Lyon County School District to provide infrastructure upgrades to improve the energy efficiency in the District's schools. The project will encompass upgrades to 19 schools and 4 administrative buildings, a total of over 1.2 million SF. The project is expected to save the district over \$345,000 annually for 15-years and is expected to cost \$3.6 million.

SALES

Reno, 89521 Office

Atley Group LLC purchased 2,574 SF from **Huskers & Nevada, LLC** for \$540,000 or \$209 PSF. The seller was represented by the **NAI Office Properties Group**. The property is located at 8610 Technology Way. APN # 163-271-01

Las Vegas, 89103 Retail

Verlaine LLC purchased a 3,056 SF facility from **MK Automotive** for \$950,000 or \$310 PSF in a sale-lease-back transaction. The lease was for 20-years and breaks down to \$2.45 PSF

with a 10 percent increase every five years. The buyer was represented by **Jarrad Katz** of **NAI Las Vegas** and the landlord was represented by the **Berg Investment Group** of **Colliers International**. The property is located at 5833 W. Tropicana Ave. APN # 163-25-110-002

Las Vegas, 89104 Retail

Fremont Boulder Crossing LLC purchased an auto dealership on 2.81 acres from **GMF Inc** for \$600,000 or \$5 PSF. The buyer was represented by **Ron McMenemy** of **McMenemy Investment Services**. The property is located at 3330 and 3340 Fremont St. APN # 162-01-801-009 et al

North Las Vegas, 89030 Industrial

Sage Industrial Holdings LLC purchased a 24,000 SF building from **Odyssey Real Estate Capital** for \$1,248,000 or \$52 PSF. The buyer was represented by **Cathy Jones** at **Sun Commercial Real Estate, Inc.** The property is located at 4224 Arcata Way. APN # 139-02-703-003

North Las Vegas, 89030 Industrial

Las Vegas Paving Corporation purchased 10,500 SF from **Nelson-Garcia 1999 Trust** for \$650,000 or \$62 PSF. The seller was represented by **Cathy Jones** of **Sun Commercial Real Estate, Inc.** The property is located at 44 Mayflower Ave. APN # 139-15-612-010

Las Vegas, 89118 Industrial

Tomas Enterprises Management purchased 4,476 SF from **America First Credit Union** for 375,000 or \$84 PSF. The buyer was represented by **Lauren Brouillet** of **NAI Las Vegas** and the seller was represented by **Chris Beets** of **Marcus & Millichap**. The property is located at 4475 Wagon Trail. APN # 177-06-112-007

Las Vegas, 89118 Industrial

Crexus NV Holdings I LLC purchased 49,982 SF from **Kouretas Properties LLC** for \$5,050,000 or \$101 PSF. The seller was represented by **Dave Frear, SIOR** and **Pat Marsh, SIOR** of **Colliers International**. The property is located at 5420 S. Valley View Blvd. APN # 162-29-301-036

Las Vegas, 89119 Industrial

Verlaine LLC purchased 6,300 SF from **GE Capital** for \$575,000 or \$91 PSF. The seller was represented by **Jarrad Katz** of **NAI Las Vegas**. The property is located at 2540 Warm Springs Rd. APN # 177-05-801-032

Las Vegas, 89122 Industrial

Black Bow Tie LLC purchased 20,259 SF from **City National Bank** for \$850,000 or \$42 PSF. The seller was represented by **Brian Riffel** and **Michael Stuart** of **Colliers International**. The property is located at 5450 Stephanie St. APN # 161-27-314-002



543 Overmyer

Sparks, 89431 Industrial

Pacific Bulk Equipment purchased 31,908 SF from **B & C Builders Supply** for \$2.6 million or \$81 PSF. The buyer was represented by **Fred Miller** of **Dickson Realty** and the seller was represented by the **NAI Industrial Properties Team**. The property is located at 543 Overmyer Rd. APN # 034-258-04 et al

Las Vegas, 89121 Multi-Family

Forterus Inc. purchased a 70,789 SF, 101 unit assisted living facility from **IMH Special Asset NT 203 LLC** for \$5 million, \$71 PSF or \$49,505 per unit. The seller was represented by **Neil Sorkin** of **Commerce CRG**. The property is located at 2465 E. Twain Ave. APN # 162-13-301-002

LEASES

Las Vegas, 89113 Office

Service 1st Bank of Nevada leased 55,893 SF from **Beltway 20, LLC** for \$136,444 on a 22-month lease. The tenant was represented by **Cathy Jones** of **Sun Commercial Real Estate, Inc.** The property is located at 8349 W. Sunset Rd., Suite 100. Reported monthly rent is \$2.44 PSF.

Las Vegas, 89117 Office

Micro Gaming Technologies Inc leased 10,000 SF from **Winner Properties LLC** for \$882,000 on an 84-month lease. The landlord was represented by **Soozi Jones Walker, CCIM, SIOR** and **Bobbi Miracle, CCIM** of **Commercial Executives**. The property is located at 7690 W. Sahara Ave. Reported monthly rent is \$1.05 PSF.

North Las Vegas, 89032 Industrial

Twin Otter International leased 49,362 SF from **Bank of Nevada** for \$62,605 on a two-year lease. The landlord was represented by **Cathy Jones** at **Sun Commercial Real Estate, Inc.** Reported monthly rent is \$1.27 PSF.

Henderson, 89074 Industrial

Bachiero Event Service LLC purchased 13,432 SF from **Gubler & Gubler LLC** for \$59,640 on a one-year lease. The landlord was represented by **Greg Pancirov, SIOR** and **Michael De Lew, SIOR** of **Colliers International**. The property is located at 1051 Mary Crest Rd., Suite A. Reported monthly rent is \$0.37 PSF.

North Las Vegas, 89081 Industrial

Las Vegas/L.A. Express, Inc. leased 46,930 SF from **Golden Triangle Industrial Park, LLC** for \$454,741 on a 39-month lease. The tenant was represented by **Dan Doherty, SIOR** and **Colvin Alves, SIOR** of **Colliers International** and the landlord was represented by **Donna Alderson, SIOR** of **CB Richard Ellis**. The property is located at 4900 Engineers Way, Suite 104. Reported monthly rent is \$0.25 PSF.

Las Vegas, 89102 Industrial

Big Box Moving and Storage leased 18,000 SF from **Jonathan Park LLC** for \$91,000 on a 13-month lease. The landlord was represented by **Dean Willmore, SIOR** and **Amy Ogden** of **Commerce CRG**. The property is located at 3311 Meade Ave. Reported monthly rent is \$0.39 PSF.

Las Vegas, 89118 Industrial

Samaritania, Inc. leased 12,143 SF in Decatur Crossing II from **York Decatur Crossing LLC** for \$279,400 on a 38-month lease. Additionally, **Spirit Rock Inc** leased 12,608 SF in the center for \$254,014 on a 39-month lease. Spirit Rock was represented by **Mikel McCullough** of **Sun Commercial Real Estate, Inc.** The landlord was represented by **Michael De Lew, SIOR** and **Greg Pancirov, SIOR** of **Colliers International** in both transactions. The properties are located at 6450 S. Cam-

eron St., Suite 110 and 6480 S. Cameron, Suite 300. Reported monthly rents are \$0.61 PSF and \$0.52 PSF, respectively.

Las Vegas, 89118 Industrial

Titan Stairs and Trim Inc. leased 12,320 SF from **Harsch Investment Properties** for \$194,692 on a three-year lease. The tenant was represented by **Art Farmanali** of **Commerce CRG** and the landlord was represented by **Jeremy Green** and **Gabe Telles** of **CB Richard Ellis**. The property is located at 5550 W. Cameron St. Reported monthly rent is \$0.39 PSF.

Las Vegas, 89119 Industrial

EPC USA, Inc. leased 44,889 SF from **Spencer Street Investors, LLC** for \$710,329 on a three-year lease. The tenant was represented by **Paul Chapman** of **NAI Las Vegas**. The property is located at 6650 Spencer St., Suite 110. Reported monthly rent is \$0.44 PSF.

LOANS

Carson City, 89703 Office

Nevada State Development Corp. has funded a loan for Rutledge Law Center, Ltd. with a 4.48 percent fixed-rate of interest for 20 years. The loan was for the purchase of a 2,690 SF office building located at 320 N. Carson St.

Sparks, 89431 Retail

Nevada State Development Corp. has funded a loan for Meineke Car Care Center with a 4.71 percent fixed-rate of interest for 20 years. The loan was for the purchase of a 4,200 SF building located at 1930 Prater Way.

Sparks, 89431 Industrial

Nevada State Development Corp. has funded a loan for Advanced Powder Coating and Sandblasting with a 4.59 percent fixed-rate of interest for 20 years. The loan was for the purchase of a 40,000 SF industrial building located at 1205 Industrial Way.

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Nevada Sets Record for Exports

In 2011, Nevada's exports totaled nearly \$8 billion, breaking the previous Nevada record of just over \$6 billion set in 2008. This was a 35 percent increase over 2010 and a jump of \$1.85 billion according to the U.S. Department of Commerce. The Commerce Department estimates that every \$181,000 in exports supports one job. Nevada's 2011 exports supported over 44,000 jobs in the state last year. 🌿

KPS3 Acquires Fuze LLC

KPS3 Marketing has acquired Fuze LLC, a national digital marketing firm in Northern Nevada. The transaction includes the company's proprietary content management system (CMS), MessageCenter, its enterprise class e-mail marketing system, website hosting services and website development team. The acquisition expands KPS3's digital services. 🌿

Brain Balance Achievement Moves to Southern Nevada

Brain Balance Achievement, a national non-medical program that helps children overcome learning and behavioral disorders has opened a center in Henderson. The center is attracting clients from nearby cities, such as Phoenix, to participate in the Brain Balance Program, which is a drug-free approach to helping children treat an imbalance that leads to common behavioral disorders. 🌿



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◀ Continued from page 13

continues. “The casinos are a money business. There are a lot of really well-paying jobs that do very well. There are probably not a lot of other markets that would see that. They’re more geared to the professional or, if you’re in northern California, the dot.com guys. I think the service business in Las Vegas is like no other.”

“I don’t know if there’s anything too unique other than the fact that we had further of a drop than other states had when the recession hit,” Corder suggests. “A lot of our luxury market was driven by the housing industry. There were a lot of people in all the areas related to construction and home buying – realtors, title companies and mortgage companies – and a lot of (them) were the luxury market.” While the housing in-

dustry hasn’t come back as strongly as many have hoped, Corder adds, he admits to being “a little surprised at how well the luxury market has rebounded here.”

The Road Ahead

Bumps in the road ahead, if there are any, should be minimal.

Ackerman predicts the growth in luxury auto sales will continue -- “slowly, but I think steadily. January was a better month than I think everybody expected, not only in Las Vegas but looking at the national reports. There are new facilities that have been built and opened in the last 24 to 36 months. There is a second Audi store, and the second Lexus store.” His own company is now in the design phase of a brand new Porsche facility.

“We will sell more cars when we get that building open because they will give us more cars,” Ackerman suggests. “We’ll also hire about 70 to 100 new employees when we open that showroom, and that should happen some time next calendar year.”

Ackerman thinks the state of Nevada will see “steady growth driven by pent-up demand, market shifts and the new availability of more eco-sensitive luxury products on the marketplace” in 2012 and beyond.

While he sees no new dealerships opening -- “Fiat opened up, but I wouldn’t consider that a luxury store” -- O’Hanrahan does believe that those already open for business “are getting healthier financially, so hopefully we’re starting to see some growth. The market definitely compressed during the downturn; (it) is at a healthy level right now.”

And it should stay there. 🌿



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Retail Summary

Fourth Quarter 2011

Las Vegas

The anchor-centered retail market recorded 196,600 square feet of positive net absorption during the fourth quarter of 2011, pushing the vacancy rate downward to 10.6 percent. While vacancies edged down by 0.3 percentage points from the third quarter of 2011, the overall vacancy rate remains higher than the 10.3 percent reported one year ago (Q4 2010). As the retail vacancy rate slipped from its all-time high, it is worth noting vacancies remain 6.5 percentage points higher, or more than double, from when the last recession began. To put the amount of excess capacity in the market into perspective, an additional 3.3 million square feet of positive absorption would be required to bring the vacancy rate back to a pre-recession level of 4.1 percent.

Elevated vacancies continue to moderate pricing with average asking rents slipping to \$1.51 per square foot per month in the fourth quarter. Pricing reflects a 3.5-percent decline from the \$1.56 per square foot reported during the same quarter of the prior year; rents were off slightly from the third quarter of 2011 which stood at \$1.52 per square foot. The average asking rent among all product types across the valley has lingered within a relatively narrow range over the last 12 months. While this may suggest average pricing is approaching its proverbial bottom, asset value resetting taking place may result in future price deterioration.

During the quarter, approximately 35,000 square feet was added to the market. A few projects are actively under construction including two WinCo Foods, and a second-phase addition to Tivoli Village at Queensridge. Plans for 3.3 million square feet remain on the drawing board.

Although economic signals suggest an economic recovery is underway, the debt overhang - primarily caused by the housing market - is likely to linger over consumers for years to come.

Reno-Sparks

The Reno/Sparks economic climate is showing more consistent signs of improvement, perhaps indicating that the retail occupancy rates may be stabilizing, albeit at or near historically low levels. The area had a positive net absorption during the fourth quarter of 39,501 square feet, the sixth consecutive quarter of positive net absorption. Although the net absorption number remains modest, it is moving in the right direction and staying positive.

The net absorption during the quarter can be attributed to multiple smaller leases and one larger lease. During the quarter, there were 50 businesses moving into shopping centers consisting of 149,242 square feet while during the same period, 31 businesses moved out consisting of 109,781 square feet. The number of new businesses moving in is good news as it is a reversal from the previous two quarters where the number of businesses moving out exceeded those moving in.

The one larger tenant that leased space this quarter was the relocation and re-branding of Factory 2 U moving out of the McCarran Plaza and opening in the Silver State Shopping Center as Fallas Paredes. Other new tenants that opened included Ijji Sushi at Redfield Promenade, Marinello in Smithridge Plaza and Discount Tire at Legends. During the quarter sizable tenants that vacated their space included Ben Franklin Crafts in the Greenbrae Shopping Center, Rack and Pinz in the Legends and Tuesday Morning in the Sierra Marketplace.

The line shop vacancy rate is hovering just below the record at 21.99%. The anchor vacancy rate is now just shy of the record at 13.91%, with the overall vacancy rate at 17.25%. While the continuation of these high vacancy rates are causing financial pressures for some landlords, it is creating opportunities for new businesses as landlords aggressively compete for the few tenants looking for space.

4th quarter 2011

RETAIL

TOTAL MARKET	LAS VEGAS	RENO
Total Square feet	51,464,427	13,059,880
Vacant Square Feet	5,437,240	2,252,210
Percent Vacant	10.6%	17.245%
New Construction	35,000	-
Net Absorption	196,593	39,501
Average Lease sf/mo (nnn)	\$1.51	\$1.60
Under Construction	490,000	278,076
Planned	3,326,466	37,337
POWER CENTERS		
Total Square Feet	18,313,154	2,628,379
Vacant Square Feet	1,320,844	427,141
Percent Vacant	7.2%	16.30%
New Construction	0	-
Net Absorption	9,824	-688
Average Lease SF/MO (NNN)	\$1.72	\$1.65
Under Construction	95,000	124,076
Planned	2,133,668	37,337
COMMUNITY CENTERS		
Total Square Feet	13,270,432	5,333,712
Vacant Square Feet	1,579,938	1,089,917
Percent Vacant	11.9%	20.4%
New Construction	0	-
Net Absorption	151,735	49,905 "
Average Lease SF/MO (NNN)	\$1.51	\$1.67
Under Construction	300,000	154,000
Planned	730,503	-
NEIGHBORHOOD CENTERS		
Total Square Feet	19,880,841	5,016,935
Vacant Square Feet	2,536,458	735,152 "
Percent Vacant	12.8%	14.7%
New Construction	35,000	-
Net Absorption	35,034	-6,070
Average Lease SF/MO (NNN)	\$1.41	\$1.47
Under Construction	95,000	-
Planned	462,295	-

Next Month: INDUSTRIAL

ABBREVIATION KEY

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

Southern Nevada analysis and statistics compiled by Applied Analysis, Northern Nevada analysis and statistics compiled by NAI Alliance Reno

According to the second estimate, U.S. real GDP grew at an annualized rate of 3.0 percent during fourth quarter 2011, which represents a substantial gain over the third-quarter rate of 1.8 percent. U.S. nonfarm employment rose by 227,000 jobs in January, and the unemployment rate held steady at 8.3 percent as labor force participation increased. Consumer confidence and consumer sentiment both increased in February. After slipping in December, sales of existing homes rebounded in January, reaching 0.7 percent above a year earlier. Personal consumption expenditures increased in January for the seventh straight month, and retail sales rose in February for the ninth straight month.

The Nevada economy continues to show uneven signs of growth. With a seasonal gain in January, visitor volume was 0.3 percent lower than a year earlier. Gaming revenue was 18.3 percent higher in January than a year earlier. Taxable sales were up by 3.8 percent in December above a year earlier. From December 2010 to December 2011, Nevada saw a gain of 13,100 jobs (1.2 percent), mostly the result of gains in leisure and hospitality; trade, transportation, and utilities; business services; health and education services; and other services. Employment declined seasonally in January. The Nevada unemployment rate increased seasonally from 12.9 percent in December to 13.0 percent in January.

Clark County's economy continues to expand at a faster pace than the state's. Compared to a year earlier, visitor volume was up by 0.4 percent in January. Gaming revenues were up by 21.6 percent over the same period. Taxable sales for December were 9.5 percent above those for the same month a year earlier. Residential construction permits dropped from December to January. From December 2010 to December 2011, employment in the Las Vegas metropolitan area increased by 9,500 jobs (1.2 percent). The Las Vegas unemployment rate fell from 13.3 in December to 13.1 percent in January.

Washoe County's economic conditions remain mostly weak. Compared to a year earlier, January visitor volume and gaming revenues were down was down by 7.0 percent and 6.2 percent, respectively. Residential and commercial construction permits rose in January. Reno-Sparks employment fell by 300 jobs (0.2 percent) from December 2010 to December 2011, and took a further decline in January. The Reno-Sparks unemployment rate rose from 12.4 percent in December to 13.0 percent in January, mostly as the result of seasonal factors.

Driven by strong gains in consumer spending and inventory investment, national economic conditions improved in fourth quarter. Nevada's tourism, hospitality, and gaming industries continued to grow.

Professor Stephen P. A. Brown, PhD
UNLV Center for Business and Economic Research

	DATE	UNITS	DATA			GROWTH		COMMENTS
			LATEST	PREVIOUS	YEAR AGO	RECENT	YEAR AGO	
Nevada								
Employment	2012M01	000 employees	1,117.0	1,137.1	1,106.2	-1.8%	1.0%	Up Over Year Ago
Unemployment Rate*	2012M01	%, NSA	13.0	12.9	14.3	0.1%	-1.3%	Seasonal Gain
Taxable Sales	2011M12	\$billion	4.216	3.394	4.063	24.2%	3.8%	Up Over Year Ago
Gaming Revenue	2012M01	\$million	1,038.41	855.66	877.41	21.4%	18.3%	Up Sharply
Passengers	2012M01	passengers	3,493	3,531	3,532	-1.1%	-1.1%	Down from Year Ago
Gasoline Sales	2011M12	million gallons	90.07	86.05	89.76	4.7%	0.3%	Up Over Year Ago
Visitor Volume	2012M01	million visitors	3.859	3.660	3.869	5.4%	-0.3%	Down from Year Ago
Clark County								
Employment	2012M01	000 employees	803.1	814.9	797.2	-1.4%	0.7%	Up Over Year Ago
Unemployment Rate*	2012M01	%, NSA	13.1	13.3	14.4	-0.2%	-1.3%	Fallen
Taxable Sales	2011M12	\$billion	2.992	2.474	2.732	20.9%	9.5%	Up Over Year Ago
Gaming Revenue	2012M01	\$million	925.49	742.37	761.35	24.7%	21.6%	Up Sharply
Residential Permits	2012M01	units permitted	317	550	578	-42.4%	-45.2%	Volatile
Commercial Permits	2012M01	permits	21	13	26	61.5%	-19.2%	At Low Level
Passengers	2012M01	million persons	3.176	3.204	3.165	-0.9%	0.3%	Up Over Year Ago
Gasoline Sales	2011M12	million gallons	61.12	58.75	63.10	4.0%	-3.1%	Up Recently
Visitor Volume	2012M01	million visitors	3.398	3.162	3.385	7.5%	0.4%	Up Over Year Ago
Washoe County								
Employment **	2012M01	000 employees	185.7	192.3	184.8	-3.4%	0.5%	Up Over Year Ago
Unemployment Rate*	2012M01	%, NSA	13.0	12.4	14.2	0.6%	-1.2%	Mostly Seasonal Gain
Taxable Sales	2011M12	\$billion	0.579	0.430	0.546	34.7%	6.0%	Up Over Year Ago
Gaming Revenue	2012M01	\$million	53.73	58.47	57.26	-8.1%	-6.2%	Fallen
Residential Permits	2012M01	units permitted	95	30	51	216.7%	86.3%	Recent Surge
Commercial Permits	2012M01	permits	11	6	5	83.3%	120.0%	Recent Surge
Passengers	2012M01	million persons	0.259	0.281	0.300	-7.8%	-13.7%	Down Sharply
Gasoline Sales	2011M12	million gallons	14.49	13.13	13.45	10.4%	7.7%	Up Over Year Ago
Visitor Volume	2011M12	million visitors	0.278	0.323	0.299	-14.1%	-7.0%	Down from Year Ago
United States								
Employment	2012M02	million, SA	132.697	132.470	130.676	0.2%	1.5%	Stronger Growth
Unemployment Rate	2012M02	%, SA	8.3	8.3	9.0	0.0%	-0.7%	Unchanged Recently
Consumer Price Index	2012M01	82-84=100, SA	227.5	227.0	221.0	0.2%	2.9%	Energy Prices
Core CPI	2012M01	82-84=100, SA	227.7	227.2	222.6	0.2%	2.3%	Up Moderately
Employment Cost Index	2011Q4	89.06=100, SA	114.7	114.2	112.8	0.4%	1.7%	Up Sharply
Productivity Index	2011Q4	2005=100, SA	111.0	110.8	110.7	0.1%	0.2%	Slightly Improved
Retail Sales Growth	2012M02	\$billion, SA	407.805	403.508	382.974	1.1%	6.5%	Strong Upward Trend
Auto and Truck Sales	2012M02	million, SA	15.04	14.13	13.24	6.4%	13.6%	Up Strongly
Housing Starts	2012M01	million, SA	0.699	0.689	0.636	1.5%	9.9%	Up Strongly
Real GDP Growth***	2011Q4	2005\$billion, SA	13,429.9	13,331.6	13,216.1	3.0%	1.6%	Up
U.S. Dollar	2012M02	97.01=100	98.121	99.843	97.880	-1.7%	0.2%	Recent Weakening
Trade Balance	2012M01	\$billion, SA	-52.565	-50.421	-47.521	4.3%	10.6%	Increased Deficit
S and P 500	2012M02	monthly close	1,365.68	1,312.41	1,327.22	4.1%	2.9%	Up
Real Short-term Rates*	2012M02	%, NSA	-3.21	-3.27	-3.27	0.1%	0.1%	Extremely Low
Treasury Yield Spread	2012M02	%, NSA	1.88	1.94	3.45	-0.1%	-1.6%	Narrowed

*Change in percentage rate, **Reflects the Reno-Sparks MSA which includes Washoe and Storey Counties, ***Recent growth is an annualized rate

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.

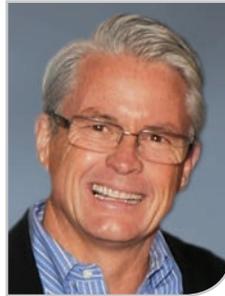
Note: NSA = Not Seasonally Adjusted, SA = Seasonally Adjusted

What is a leader's greatest attribute?

“A leader’s greatest attribute is the ability to forward think. Great leaders anticipate obstacles or challenges that may affect a team and can adjust quickly.”



Carol Mayorga · District Manager, Wells Fargo Bank- The Horizons District



Jeff Ehret · President, PENTA Building Group

“I don’t think there is a single greatest attribute. Vision, the ability to motivate and inspire people, providing clear direction and the proper resources for people to accomplish things, and open communication are all equally important.”

“A leader’s greatest attribute is the ability to earn trust and respect. Be willing to get in the trenches with your team and show them you are willing to do everything you expect of them. Once you have earned trust and respect, you will lead your organization to greater heights.”



David Swenson · Vice President of Business Development, Red Rock Financial Services



Sue Meuschke · Executive Director, Nevada Network Against Domestic Violence

A leader’s greatest attribute is the ability to see...clearly what is needed, broadly what is expected and narrowly what will make the greatest difference.

“Attitude is everything. Having an outgoing, positive attitude can encourage optimism, stimulative thinking and motivation to accomplish goals. In business, it can influence employees to be loyal, productive members of your firm. Combining a positive attitude with a humble approach encourages a positive corporate culture and increased team-player mentalities.”



Courtney Murphy, CMCA, AMS · President & Supervising Community Manager, Community Management Group



Stephen W. Weiland, M.D. · President, The Weiland Group, Inc. Cosmetic Surgery + Skin Spa

“The greatest attribute of a leader is the ability to imagine, create, instill and reinforce a vision of where you are going and how you are going to get there.”





Michelle McDonald
Business Center Manager

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