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STATEMENT OF:

**STEVE GILES  
HOMEOWNER,  
PROMONTORY POINT**

**ASSEMBLY JUDICIARY COMMITTEE  
APRIL 8, 2003**

183

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**ASSEMBLY JUDICIARY**

**DATE: 4/8/03 ROOM: 3138 EXHIBIT J**

**SUBMITTED BY: V. COOLBAUGH**

## TESTIMONY OF STEVE GILES

My name is Steve Giles. I have chosen to testify at these hearings because I want the Assembly to understand the nightmare me and my family have had with our home in Henderson, Nevada. I have heard a lot of talk and read a lot of newsprint suggesting that builders should be protected from lawsuits by homeowners for construction defects. If anything, we, the homebuyers, need more protection from builders. I hope my story will assist you in understanding why.

We purchased our home at 315 Palisades Drive in Henderson from Gateway Development Group in 1995. For my family, it was a dream come true. We took great pride in decorating and landscaping our home. A few of the pictures provided with my statement show the landscaping in our backyard including our koi pond. Little did we know that these improvements, not to mention our home, would be ruined because of our builder's failure to follow its original engineers recommendations during the grading and construction of our home.

The first signs of a problem occurred in late 1997 when we began noticing water seepage at the slope at the back of our property. My neighbors on each side of me were having the same seepage. Because our homes sit below a tall slope, we thought perhaps a pool might be leaking or a pipe broken. We contacted our up slope neighbors and then the City of Henderson. We did confirm there was no broken pipes or leaky pools.

I have included pictures of the conditions as they worsened. You can see standing water around my home. Our landscaping was destroyed. We dug trenches to keep the water from seeping into our home. As the flow of water increased, I was forced to rig a temporary sump pump to pump the water to the street. Over the past 4 years this pump has run continuously. We pump around 3000 gallons a day from our backyard. This is necessary to keep the water from coming into our home.

When we first noticed the problem we contacted our builder Gateway Development. We did so because from all we could tell this was a very large and significant problem which appeared to relate to the original construction of our home. The builder sent a representative to our homes (my neighbors and several others). However, the builder refused to do anything about the conditions. Instead, the builder told us in writing that it had done everything it was supposed to do and that we were on our own. The letter is included with this statement.

Left with no alternative, we contacted an attorney for direction and advice. Through our attorney's efforts we obtained the reports and recommendations of Gateway's own engineers to address this water condition. The soils experts recommended a subsurface drainage system be installed during grading to collect the water. This system was recommended because of a series of compaction faults which criss-cross our development which cause zones of water seepage to occur. Without the subsurface drain system, the anticipated irrigation to the north of our development would result in the water conditions we are currently experiencing. Apparently, the builder chose to disregard these recommendations as no subdrain system was installed in my neighborhood. No disclosure was made to us prior to purchasing our home of the Gateway's decision not to follow the recommendations of its own experts.

J 203

Our home is one of 172 homes in our development. This water condition has affected a majority of homes within the development. With no alternative, a group of us banded together and filed a class action lawsuit against Gateway Development. Our case has been pending for over 4 years. CuRecently, we partially settled the case for \$7.2 million which is subject to the Court's approval set for hearing on April 2, 2003..

As time has past, our problem has worsened. With all of the water around our home, we developed an airborne toxic mold condition. This condition has caused my family to move out of the home. We have not lived in the home for over a year. This same mold condition has affected many other homes in the development, and we understand other homeowners were forced to abandoned their homes.

Without the help of our lawyer, David Pursiano, in guiding us through the legal process, we would have lost all hope not to mention our investment. Our dream home has become our nightmare and has resulted in a tremendous mental and emotional toll on our family. Our builder created this condition. It certainly wasn't created by us, the homeowners, or our lawyers. Our laws should protect the victims, the homebuilders, who suffer the consequences of their builder's decisions to disregard the requirements placed on them which assure that homes are safe and built to the minimum standards of the building code. Safe Homes built in compliance with these standards must be our goal. A builder who fails to adhere to these requirements and fails to disclose its short-cuts to an unsuspecting homeowner must be held accountable.

J 3013