



ARIZONA REGISTRAR OF CONTRACTORS



Douglas A. Ducey, Governor

Jeff Fleetham, Director

FOR IMMEDIATE RELEASE
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CONTACT:
Jim Knupp, Chief of Operations

AZ ROC: Scottsdale Licensee Summarily Suspended

PHOENIX, Ariz., (Dec. 6, 2018) – On Thurs., Dec. 6, 2018, the Arizona Registrar of Contractors took swift action to summarily suspend licenses held by NXS Construction, LLC, dba NXS Remodeling/Design Studio, a Scottsdale-based contracting business.

On Wed., Dec. 5, 2018, AZ ROC received five calls from homeowners who engaged in contracting with NXS Construction and all of who paid down payments and received little work beyond demolition. Each of the homeowners alleged NXS Construction employees stopped by their homes to tell them the company was out of business and suggested they file complaints with AZ ROC.

Today, Agency investigators spoke with the now-former Operations Manager and reached out to the company directly. The Operations Manager alleges that the business was in trouble in July when he was hired and that currently, the company has contracted with approximately 50 homeowners and needs about \$235,000 to finish those jobs. The manager also stated the company already took \$510,000 in down payments from homeowners and there was another \$175,000 in contracted-work with no down payment collected as of Monday.

“The majority of construction contractors go the life of their license without the Agency receiving a single complaint. And for us to receive five calls from homeowners in one day and to today, learn of the magnitude of potential harm to which this company has exposed Arizona homeowners is alarming and simply unacceptable,” stated Dir. Fleetham, Arizona Registrar of Contractors. “The quickest, most decisive action the Registrar may take to remove a company’s license is to summarily suspend it and any licenses associated with those individuals listed on NXS’s licenses. That’s what we did today.”

Based on the complaints received yesterday and preliminary investigations, the Agency is seeking revocation of the licenses and issued a summary suspension alleging five counts of abandonment, four counts of poor work and one count of fraudulent acts. As the investigation continues, these counts may be amended.

A summary suspension makes illegal the licensee's ability to contract as of the day it was issued; today. In turn, it requires the Agency provide the contractor a prompt hearing at the Office of Administrative Hearings and that is set for Monday, Dec. 17, 2018 at 9:00 AM.

The Agency encourages impacted consumers who have contracted with NXS Construction and paid but not received completed projects to file a complaint with the agency as soon as possible to have their cases investigated.

Background/Prior Cases:

The only individual listed on AZ ROC's license and with the Arizona Corporation Commission as being involved in the company is Daniel J. Schmidt, of Cave Creek. Schmidt serves as the Member and Qualifying Party of NXS Constructions' suspended licenses; including ROC237833, a KB-1 Dual General Contracting, and ROC316256, CR-37 Dual Plumbing.

Schmidt is also the Qualifying Party and Member for another KB-1 Dual General Contracting license for another company - ROC320748, Moonraker, LLC. If NXS Construction's licenses are revoked at the conclusion of the summary suspension process, the Agency may seek discipline of any other licenses associated with NXS Construction.

Until Dec. 5, 2018, AZ ROC received three complaints against the company in 2018; one from a consumer alleging abandonment and two from material suppliers or subcontractors claiming they had not been paid by NXS for work or materials provided.

The consumer complaint was investigated and the Agency found incomplete work. NXS worked to comply with Agency directives to complete the project and the case was requested closed as having achieved compliance by the homeowner on Dec. 5, 2018.

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