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August 26, 2014

Office of the City Attorney  
Allison O. Marsland, Assistant City Attorney  
300 Sixth Street  
Rapid City, South Dakota 57701

Re: Rana Graham Appeal Letter, Aug. 13, 2014

Dear Allison:

Please accept this letter on behalf of Bolt Companies, Inc., d/b/a Bolt Construction, as its response to the allegations Rana Graham has set forth in the Appeal Letter dated August 13 and the allegations she made at the Building Board of Appeals meeting as reflected in the Minutes.

Bolt Companies submits that the majority of Mrs. Graham's arguments in her August 13 letter were previously addressed by Mr. Bolt in his letter for consideration by the Building Board of Appeals, which was dated August 6. However, in her appeal letter to the City's Legal and Finance Committee, and at the August 12 meeting, Mrs. Graham made several misrepresentations that need to be addressed.<sup>1</sup>

In her August 13 letter Mrs. Graham stated: "I have made every attempt to give this contractor the chance to resolve these issues and he has failed to make any contact to my attorney or myself." (Ex. 1: Graham Appeal Letter, Aug. 13, 2014.) The Minutes also reflect a similar statement: "Graham stated her lawyer did send Mr. Bolt

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<sup>1</sup> This is not the first time Mrs. Graham has made material misrepresentations in this matter. She initially alleged that after the City inspection of her roof on February 12, 2014, Rapid City Code Consultant Chuck Janson called Mr. Bolt and warned him about the deadline to file the mechanic's lien. She made this statement numerous times during her testimony before the Legal and Finance Committee and stated that she "will now in order to get this lien removed have to pay \$10,000 to a lawyer to take it to circuit court to get it removed." Mrs. Graham was later forced to recant that statement after it was explained the mechanic's lien was filed on February 10—two days before the inspection and alleged warning call to Mr. Bolt. (Ex. 4: Report of Findings, at p. 4.)

a letter advising him this would all be done if he would fix the roof and remove the lien.” (Ex. 2: Building Board of Appeals Meeting Minutes, Aug. 12, 2014.)

These representations are not accurate for several reasons:

1. On February 13, 2014, Mrs. Graham filed a small claims lawsuit against Bolt Construction claiming damages of \$11,796.30. These damages were claimed even though Mrs. Graham had not paid Bolt Construction anything and had not paid for a replacement roof.
2. On February 18, 2014, Mrs. Graham sent a letter to Mr. Bolt and warned him that he and anyone from Bolt Construction was not welcome on the property: “If you in anyway try to access my property I have been informed by the authorities that you will be tress-passing and will have no choice but to contact them and have you arrested or removed.” (Ex. 3: Graham Letter, Feb. 18, 2014.)
3. On May 14, 2014, Assistant City Attorney Allison Marsland issued her Report of Findings where she determined that Mrs. Graham and Bolt Construction should facilitate the correction of the starter course, but that “it should be noted that Mrs. Graham has stated that she will not allow Bolt Construction back onto her property.” (Ex. 4: Report of Findings, at p. 10.)
4. On July 1, 2014 – Mrs. Graham’s attorney sent Mr. Bolt a letter advising: “My client is willing to let this matter drop if the lien is immediately removed and the attached release of claims is returned to my office by Wednesday June 16, 2014. ” (Ex. 5: Attorney Christianson Letter, July 1, 2014.) At no point was Mr. Bolt advised that he could fix the starter shingles. Rather, he was required to dismiss his lien and any claim for compensation for the \$9,000 roof he installed on Mrs. Graham’s home.

It would appear that Mrs. Graham’s real intent here is to get a roof for free and coerce Mr. Bolt to give up his lien on her property. This position is supported by the report of Rapid City Police Officer Sue Fox who interviewed Mrs. Graham. During that interview Mrs. Graham conceded that when she filed criminal charges against Bolt Construction regarding this matter she was just trying to use it as “leverage” to get Mr. Bolt to drop the lien:

“Rana said she did not want to hire a civil attorney to fight the lien issue and was hoping for a criminal charge to act as leverage to get Bolt Construction to drop the lien.”

(Ex. 6: Officer Fox Report, Mar. 6, 2014.)

Mrs. Graham has filed criminal charges against Mr. Bolt (which were dismissed), a small claims lawsuit (which was dismissed by the court), and multiple appeals to take his license (which have been denied). All of this simply because the

Bolt Construction Response to  
Rana Graham Appeal  
August 26, 2014  
Page 3

starter strip on her roof was not installed per the manufacturer's specifications and Mr. Bolt had to file a mechanic's lien because Mrs. Graham had not made any payment and his 120 day deadline was approaching. Bolt Construction respectfully asks that the City Council affirm the Building Board of Appeals' decision not to revoke or suspend his license.

Mr. Bolt or I would be happy to clarify any of these responses or answer any other questions during the hearing set for August 27, 2014 at 12:30 p.m.

Respectfully submitted this 26<sup>th</sup> day of August, 2014.

BEARDSLEY, JENSEN & VON WALD,  
Prof. L.L.C.

By: Brad J. Lee

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Bolt Companies, Inc., d/b/a Bolt Construction

EXHIBIT LIST

Exhibit

- 1 Graham Appeal Letter (August 13, 2014)
- 2 Building Board of Appeals Meeting Minutes (August 12, 2014)
- 3 Graham Letter (February 18, 2014)
- 4 Report of Findings (excerpts)
- 5 Attorney Christianson Letter (July 1, 2014)
- 6 Officer Fox Report (March 6, 2014)

August 13, 2014



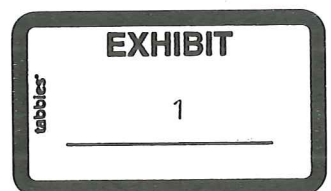
To Whom it may concern,

I am submitting this letter as an appeal of the Building Boards decision to not suspend or revoke the contractor license of Lyndon Bolt owner of Bolt Construction. The Building Board stated that they only take into consideration the Code Violations and felt there wasnt enough to warrant the removal of Mr. Bolts License, but I would like to point out that the documentation that was provided to me by the Building Department Rapid City, SD Code of Ordinances page 5/6 U. It shall be within the discretion of the Building Official to suspend, revoke, or refuse to issue or approve any general building contractor or trade license if the Building Official finds the following:

- b. Has engaged in any fraudulent, deceptive, or dishonest act or practice in the performance of building contracting/and or the trade
- c. Has violated any applicable provision of this section, the Adopted Construction Codes, Rapid City Municipal Code, or State regulation or law;
- g. fails to respond to a lawful order or directive of the Building Official or the Building Board of Appeals

None of the above were taken into consideration in Building Boards decision, the contractor comitted fraud with placing a fraudulent lien, billing me for items that were never replaced but stated they were removed and replaced, not applying for a valid permit in the first place and it states work is not to be carried out until a permit has been issued, and the contractor was given 30 days by the City to fix the code violations, which he made no attempt, but states in his own documents the City never informed him of the 30 days but if you look in the City Investigation report page 10 of 15 it states the 30 days in paragraph 2. It is also a code violation to shingle over shingle which seems to have been done on my roof. The flashing/gutter aprons which were said not to be a code violation were questioned in the Building Board meeting where Brad Solon when asked if they were a code violation stated "well if you look at it properly I guess you would say yes they are". This contractor has shown nothing but dishonesty and immoral practice, theft by deception and misrepresentation of funds. If the City allow him to keep his license it will appear that his actions are being condoned and he will continue to do business this way. The public believe that the City will protect them from these type of actions being carried out by Contractors.

I personally feel let down that there is nothing in place to protect homeowners from this happening to them. I have made every attempt to give this contractor the chance to resolve these issues and he has failed to make any contact to my attorney or myself. He stated to the Building Board that the documents he submitted were from his attorney but if you look at them they are on Bolt Construction headed paper and signed by Lyndon Bolt, there is no mention of a leagal firm or attorneys name, he also



stated that his attorney had contacted my attorney which is false as my attorney has not had any response from Mr. Bolt or any Legal Representative. Mr. Bolt continues to lie as he has done through out instead of following City Code or the law.

Please review all the documents and do not continue to let this contractor lie and cheat homeowners.

Sincerely  
Rana Graham  
4745 Mandalay Ln  
Rapid City, SD 57701



**Meeting Minutes**  
**Building Board of Appeals**  
**August 12th, 2014**

3. Rana Grahm Appeal on revocation of Bolt Constructions Contractor's License

Asbridge asked Mrs. Grahm to speak. Grahm stated the details leading up to the Appeal. Graham stated on October 13, 2013, Bolt Construction installed a roof on her property, and the next day she noticed the shingles were rolling, so she then contacted Aaron London (contact person stated on her contract). Graham stated she spoke with Mr. London, he stated he knew what the problem was, and he would come and fix the issue. Graham stated he never fixed the problem. Graham then went on to state she made numerous attempts to contact Mr. London, and he would not respond to her phone calls. Graham stated the first time she had correspondence with owner Lyndon Bolt was in January, he was pleasant on the phone, and stated he would come and have the problem corrected, and also acknowledged there had been several complaints with his employee Aaron London. Graham stated a man by the name of Josh came out to look at the roof and he stated he was there to fix Aaron London's mistakes. Graham stated the next day she received a letter from Mr. Bolt stating there would be a lien put on her property if she did not pay. Graham stated she explained to Mr. Bolt the money was in escrow and the mortgage company would not pay for the roof until the roof was fixed. Graham stated Mr. Bolt became abusive on the phone with her. Graham then called the City to have an inspection; she stated the first day the inspector could not complete the inspection due to snow on the roof. Graham stated, the next day an inspector was able to inspect the roof, and the inspection stated there were code violations. Graham stated they passed the code violations without an affidavit or pictures. Graham then went to City Council, the allegations were founded, and they unfinalized the permit, which he did not have in the first place. Graham stated Bolt Construction completed the roof on the 13<sup>th</sup> of October and Lyndon Bolt signed for the permit on October 16<sup>th</sup>. Graham stated Bolt put a lien on her property two days before the work was supposed to be completed. Graham stated the signature did not look correct; she then went to Senator Thune's office; Senator Thune's advisor told her to go to the police station to file a complaint because it was a fraudulent lien, she did so, it was investigated, they did not prosecute, however they did make it clear it was a second class misdemeanor, but they did not prosecute. Graham stated her lawyer did send Mr. Bolt a letter advising him this would all be done, if he would fix the roof and remove the lien. Graham stated she has a no trespassing order on Mr. Bolt.

Asbridge asked Solon to update the Board on the Appeal. Solon stated he would read from the memo he provided for the Board in their packets.

Asbridge asked Lyndon Bolt to speak. Bolt explained the details on obtaining the permit, and the course of action his company took performing the work at Grahms home.



Lyndon Bolt apologized to Mrs. Grahm for the way his employee, Aaron London treated Mrs. Grahm. Bolt stated Aaron London no longer worked for his company, because of the way he treated Mrs. Grahm. Bolt stated item #4 on his attorney's rebuttal letter, stated there was not a permit pulled on Mrs. Grahm's roof. Bolt stated that was absolutely true, he is human, and he made a mistake. Bolt stated he reroofed the house on a Sunday, and was under the impression that his secretary or Aaron London had bought the permit. Bolt stated as soon as he realized there had not been a permit pulled, he came down to Building Services, paid the fine, and apologized for the misunderstanding to Brad Solon, Rapid City Building Official. Bolt then stated he did everything he was supposed to after making the mistake and he takes full responsibility. Bolt stated they came out numerous times to take a look at Mrs. Grahm's roof, he stated she did have some ridge caps that had flown up in the air, and they fixed them. Bolt stated he had Tamco's shingle representative for western South Dakota, Jeff Richey, come look at Mrs. Grahm's roof. Grahm stated he never came to look at her roof. Bolt stated Jeff Richey and he had set up a date to come look at Mrs. Grahm's roof. Mrs. Grahm told him he was not allowed on her property. Bolt stated there was a letter in the Board's packets from Tamco Building Products, which stated Mrs. Grahm has a full warranty on her roof. Bolt stated Jeff Richey sent Mrs. Grahm a certified letter stating Mrs. Grahm has a warranty on her roof shingles. Bolt stated he has done many roofs in the City, including some people that were in attendance. Bolt asked City Council member, Charity Doyle, if he roofed her house. Mrs. Doyle replied, Mr. Bolt tore shingles off at her house. Bolt stated Grahm has not paid a dime for the job they did. Asbridge stated Bolt's time is up. Asbridge asked Solon what are the code violations. Solon stated the City Inspectors approved the work and the permit was not finalized. Marsland stated, after Grahm brought her appeal to the City Council, Council directed herself and Risk Management to perform an investigation. Marsland stated their findings were that the only code violation is the way the starter strip was used. Struble stated the City Officials did not find any discrepancies in their inspections. Asbridge stated Bolt did not get a permit until the day after the roof was completed. Seaman stated that was a non issue because he paid the penalty for it, Asbridge agreed. Solon stated they did not call for an inspection on Sunday, but Bolt was notified in January of permits that had been pulled without inspections, Mrs. Grahm's permit was on the list. Solon stated he talked to him about it, and to bring an affidavit down with pictures, and Bolt did so immediately. Solon stated Mr. Bolt did not have pictures to provide, due to Aaron London having them on his phone, who no longer was employed by Bolt Construction. Solon stated he did see the pictures on Aaron London's phone but did not have actual copies of them. Solon stated the affidavit was finalized in January. Grahm stated no, it was not finalized until April. Bolt stated they are improving their system to work with the City's system.

Asbridge asked Grahm, if she is not going to allow Bolt to make corrections, which are minor, then they will not revoke or suspend his license.

Seaman asked if the starter strip is the only code violation. Marsland stated yes, that it is the only code violation. Asbridge asked for a motion.



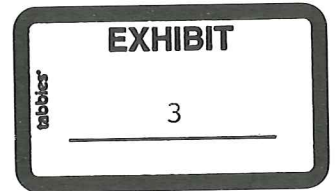
**Struble makes a motion to agree with the City to not revoke or suspend Bolt  
Constructions Contractors license, seconded by James Rensch, motion passed 5-  
0, with Seaman, Asbridge, and Malone voting yes and none voting no.**

①

Rana Graham  
4745 Mandalay LN  
Rapid City, SD 57701

02/18/2014

Bolt Construction  
Lyndon Bolt  
2317 Creek DR  
Rapid City, SD 57703



Mr. Bolt

I am writing to you to inform you of the pending action I will be taking against your company for the unsatisfactory work your company did replacing my roof and guttering. I have reports stating there are numerous issues with the way the shingles were laid, along with pictures.

I also am queering your invoice as Aaron Londons estimate says 27.45 sq and I asked you on January 21, 2014 if you would have someone re-measure my roof as I believed with Aarons dishonesty on the amount of guttering that was done that his measurement might be inaccurate. You told me you would, but did not have this done. I will also say that there was several packs of shingles left when the roof was supposed to have been finished, which Aaron loaded into the back of his truck 3 days later, I am sure these were the shingles I have been Invoiced for.

I have asked several times for a signed contract which you have failed to supply, that reason being is I never signed one.

The completion certificate you sent is also false as the work was not completed October 14, 2013 as the guttering had not been done yet, that was completed in November and it was your wife who had to arrange that when I called to ask why i had gotten an invoice for work that had not been completed. Aaron then called me to say I should never have received the invoice as the gutters were not done yet. He also told me a crew were supposed to have come out and fixed the roof since they installed it wrong. Aaron showed up to my house the following day with Josh and told me since the last crew had not showed up he would send a crew out later that day to fix the roof. No one showed up yet again. I left numerous messages on Aaron's answering service to call me as the roof had not been fixed yet, he ignored them and did not respond.

Bolt Construction have invoiced me for all the edge metal and gutter apron and gutters which I have pictures showing these were not replaced and the hail damaged ones were left, this I believe is fraud. My Mortgage company have refused to issue you payment for the work that has not been completed or done in a satisfactory manner.

Reference your letter dating 02/13/14 stating that you, a Tamko Representative, and Building Inspector will be coming to my home, I am informing you that you or anyone from Bolt Construction due to you unruly and dishonest behavior that your company have shown me are not welcome at my property 4745 Mandalay Lane, however I will allow a Tamko Representative who can provide documentation of who they are and a City Inspector to inspect my roof. If you in anyway try to access my property I have been informed by the authorities that you will be tress-passing and will have no choice but to contact them and have you arrested or removed.

I have given Bolt Construction plenty of opportunity to resolve this and fix my roof, since October 14 2013, when I contacted Aaron London to inform him there were issues, you failed to honor your contractors warranty. I have also found that yourself and Aaron London acted in an unprofessional manner by badmouthing and slandering Black Hills Exteriors and Pro Exteriors just because they came to my property and did reports on the issues with the roof, this is not a behavior an owner should take about other Companies. This being another reason I do not want you to come or carry out any further work to my property. I will be instructing another Roofing Company to replace the roof and the guttering.

As you should be aware by now I have filed legal proceedings against you and your company as I believe you fraudulently placed a Mechanics Lien on my property. I am giving you seven days to remove the Lien and to withdraw any balances you say I owe you for the work that your company have done due to it not being completed in a satisfactory manner or replaced materials which you invoiced me for. If you do not agree with this then I will just move forward with the legal proceedings I have already set in motion.

I am enclosing pictures, reports, a report from the City confirming they never inspected the roof or an affidavit was ever issued to them.

Sincerely,

Rana Graham



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

## OFFICE OF THE CITY ATTORNEY

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### REPORT OF FINDINGS

TO: Mayor Sam Kooiker  
Common Council

FROM: Allison Marsland, Assistant City Attorney  
Keith L'Esperance, Risk Manager

DATE: May 14, 2014

RE: Roofing Permit issued for 4745 Mandalay Lane, Rapid City

On April 2, 2014, Rana Graham, the property owner of 4745 Mandalay Lane (the "Property"), presented concerns to the Legal and Finance Committee regarding her experience with the City and its staff pertaining to a re-roofing permit that was pulled by Bolt Construction in October 2013 to re-roof the Property. The Committee recommended, and the Common Council affirmatively voted to instruct City staff to investigate and make a report to the Council. Subsequent to the committee meeting, Mrs. Graham filed a claim form with Risk Management which pertained to the allegations she brought forward on April 2. The following is the requested report. Mrs. Graham's testimony to the committee on April 2 is not reiterated verbatim in this report. Rather, her identified concerns, and concerns raised by committee members are treated under separate headings.

It should be noted that at the committee meeting Mrs. Graham brought up concerns about the handling of a permit for a deck at the Property, which was installed by a different contractor previous to the re-roofing construction. The deck matter was not a part of this investigation, as that complaint was previously dealt with by the Building Services Division, and because the deck matter was not included as part of the claim that Mrs. Graham filed with the City.

Any questions about this report may be directed to Allison Marsland, Assistant City Attorney, and Keith L'Esperance, Risk Manager.





### Alleged Notification by City Staff to Bolt Construction re Mechanics' Lien

At the April 2 meeting, Mrs. Graham alleged that she had a discussion with Chuck Janson about Bolt Construction potentially filing a mechanics' lien because Mrs. Graham had not yet paid for the re-roofing job. Mrs. Graham has contended that she has not paid Bolt Construction as it is her position that the work is not completed. Mrs. Graham stated that she informed Chuck she had called the Pennington County Register of Deeds Office to confirm the deadline for Bolt Construction to file a mechanics' lien, and that she told Chuck the deadline was in a few days.

Mrs. Graham went on to allege that after the February 12, 2014 City inspection, fifteen minutes after he left her house Chuck called Lyndon Bolt. She stated that during that phone call Chuck warned Lyndon Bolt that he only had a few days left to file a mechanics' lien before the statutory time to do so would run.

Mrs. Graham stated that she was basing this assertion on the fact that the City's Building Service's file for her property includes a documented call by Chuck Janson to Lyndon Bolt on February 12, 2014. Chuck noted in the City's file that he called on that day, and his note states the following: "ASK (sic) LYNDON BOLT FOR AFFIDAVIT ASAP HE SAID HE WOULD GET ONE TO ME RIGHT AWAY".

Mrs. Graham brought up the alleged warning by Chuck to Lyndon Bolt at least five times during her testimony before the Legal and Finance Committee. She stated to the committee around the 1:02:55 mark that "because of this Inspector contacting this contractor and informing him that he only had a certain period of time, I will now in order to get this lien removed have to pay \$10,000 to a lawyer to take it to circuit court to get it removed."

**UNFOUNDED: Re-canted by complainant – City is not liable.**  
**City staff cleared of any wrongdoing.**

It is very important to note that the investigation revealed that the conversation as described by Mrs. Graham in her appearance on April 2 did NOT occur. The lien was filed on February 10, 2014, and the inspection was not done until two days later on February 12, 2014. During Rana Graham's interview for this report, she stated that she had mixed up some of the dates when she was making her statements to the Legal and Finance Committee. She stated that she had realized after the committee meeting that the telephone call documented by Chuck to Lyndon Bolt was made after the mechanics' lien had already been filed.

Further, when interviewed for this report both Chuck Janson and Lyndon Bolt categorically denied that any conversation about the mechanics' lien ever took place between the two of them. Their respective statements were found to be credible.

In addition, Bolt Construction appears to have been well aware of the lien filing deadline, as it sent Mrs. Graham a letter on February 4, 2014, stating it would file a mechanics' lien if the bill was not paid within seven days.



The Building Official or his or her duly authorized representatives shall, upon substantiated evidence of violation of any provision of this title, issue written notice to the owner, contractor, lessee, firm, corporation or other individual(s) responsible for the violation to correct same. Such corrective work shall start within 30 days and finish within 60 days, or as otherwise determined by the Building Official. Any corrective work related to a roofing permit must be finished within 30 days.

Pursuant to RCMC 15.04.310, based upon the findings of this report the Building Official is required to notify Bolt Construction in writing to correct the identified code violation, the improper starter strip. As it is corrective work related to a roofing permit, the work must be commenced within 30 days, and completed within 30 days after commencement.

Facilitation of the correction is between Mrs. Graham and Bolt Construction. However, it should be noted that Mrs. Graham has stated that she will not allow Bolt Construction back onto her property. The City's primary concern is that the roof is done properly, and Building Services staff should continue to follow-up as the permit will not be finalized until the identified correction has been made. The contractor selected to correct the work and determination of who will pay for those services is between Mrs. Graham and Bolt Construction.

#### Note about the Visible Hail Damage

Mrs. Graham discussed what she described as hail damaged flashing at the April 2 committee meeting. Alderwoman Charity Doyle corroborated these statements when she informed the committee around the 1:14:50 mark that she "could see from the street" that what she described as the flashing was hail damaged, and that it had not been replaced.

In speaking with the roofers and City staff involved in this matter, it has been confirmed that what is visible from the street is actually what's referred to as "gutter apron," not flashing. Gutter apron, as the name implies, is part of the installation for gutters on residences.

Regarding gutters, the IRC states the following: "R801.3 Roof drainage. In areas where expansive or collapsible soils are known to exist, all dwellings shall have a controlled method of water disposal from roofs that will collect and discharge roof drainage to the ground surface at least 5 feet (1524 mm) from foundation walls or to an approved drainage system." While the IRC requires a roof drainage system (in other words, a gutter system) in certain instances, it does not go further and regulate the quality of the materials or the installation methods that may be used. Further, the City does not permit for gutter installation.

**FINDING:** For these reasons, the visible hail damage on the gutter system at the Property is an issue that is between Mrs. Graham and the contractor.

COSTELLO, PORTER, HILL, HEISTERKAMP,  
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July 1, 2014

Lyndon Bolt  
President  
Bolt Companies, Inc.  
2317 Creek Drive  
Rapid City, SD 57703

Re: Rana Graham and Mechanics Lien  
Our File No. 142136



Dear Mr. Bolt:

Rana Graham has retained our firm to address the lien your company filed on her home at 4745 Mandaly Lane in Rapid City, SD. I have reviewed the filed lien, a police report, two independent professionals reports of the work your company performed, and the law, it appears the work was substandard at best and the lien is defective on its face as more fully identified below. My client is willing to let this matter drop if the lien is immediately removed and the attached release of claims is returned to my office by Wednesday June 16, 2014.

Based on my understanding, your company solicited Ms. Graham to replace her roof and gutters. Ms. Graham agreed to this work being done but there was never a contract signed.

Ms. Graham is unsatisfied with your companies work and has provided me two independent professional reports on its inadequacy. After Bolt informed Ms. Graham that the job was complete, she noticed that her gutters had not been replaced. When she could not get Bolt to finish the work on her home, she contacted two other companies in the Black Hills Area to inspect the job, which uncovered that the roof had not been installed correctly. Both companies, Pro Exteriors and Black Hills Exteriors, submitted a report to Ms. Graham that were both consistent in providing the shingles were not installed correctly and the work was sub-standard. I attach a copy of the two reports for your attention.

Due to your company's failures to perform the work in a workmanlike manner, Ms. Graham will need to replace her roof. Further, your company never did replace her gutters as was



agreed and as she was billed for.

On the invoice that Bolt submitted to Ms. Graham, Bolt indicated that the gutters at her home were removed, replaced and recycled. The gutters on the home still show the same evidence of extensive hail damage.

On February 10, 2014, your company filed a Mechanics Lien against 4745 Mandaly Lane. In my opinion, this Mechanics Lien is defective and invalid. SDCL 44-9-16 provides that to have a valid lien, there must be a verification of the claim, meaning the person filing the lien must sign it in front of a notary. You have admitted that you were in Arizona at the time that the lien was signed and therefore were not present when the lien was signed and notarized and that a rubber stamp bearing your signature was used in Rapid City at this time.

Further, since you were not present when the lien was signed, and there is no indication that you were subscribing to an oath or an indication that an authorized official was administering an oath, the lien filed is invalid. Crescent Elec. Supply Co. v. Nerison, 89 S.D. 203 (1975). A police report from an investigation of a violation of SDCL 18-1-11 regarding the signature, provides that the person who notarized the document did not speak to you and was not sure if this was correct practice, and the person who stamped your name and who requested that the document be notarized, could not recall a specific conversation in which she spoke with you about this lien. This makes the lien invalid and Ms. Graham rightfully demands that this lien be removed from her home.

The lien placed by your company on Ms. Graham's residence is invalid because the itemized statement that you submitted with the lien includes work being done on the gutters. The gutters were not replaced and as such, you misstated the amount owed to you by Ms. Graham. This misstatement is in violation of SDCL 44-9-16 and is additional reason of why the lien is invalid.

Since the work done by Bolt on Ms. Grahams home was incomplete, inadequate and misstated as to extent combined with the fact the lien was not properly filed, Bolt's continued maintenance of the lien in my opinion constitutes slander of title which is actionable in South Dakota. A cause of action for slander of title requires: "One who publishes a false statement harmful to the interests of another is subject to liability for pecuniary loss resulting to the other if (a) he intends for publication of the statement to result in harm to interests of the other having a pecuniary value, or either recognizes or should recognize that it is likely to do so, and (b) he knows that the statement is false or acts in reckless disregard of its truth or falsity. Gregory's Inc. v. Hann, 545 N.W.2d 488, 493 (SD 1996). In Gregory, the court held that these elements apply to real property. Id.

The lien was filed with the Register of Deeds. That constitutes publication which satisfies the first element. The second element requires that you know that the statement is false or you act in reckless disregard of the statements truth or falsity. The work was not completed, appropriately performed and was completely defective, paired with the fact that you allege that my client owes you for work that was not done, in my opinion a Judge would find this satisfies the second element.

Mr. Bolt, Ms. Graham would like to put this unfortunate experience behind her and not be forced to take further action. She already needs to have her roof replaced due to this defective work and wants to put this behind her. Since the lien is not proper, we ask that it be removed within two weeks of the mailing of this letter by executing the attached lien release, settlement release (sign both copies and return them and we will send you an original) and return the original to my office for filing. Should you comply with this request, the issue will be deemed resolved. Should this deadline not be met, we will explore any and all remedies available to Ms. Graham under South Dakota Law.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris A. Christianson", with a long horizontal flourish extending to the right.

Christopher A. Christianson

Enclosures  
cc: Client





# RAPID CITY POLICE DEPARTMENT

Steve Allender, Chief of Police

300 Kansas City Street, Rapid City, SD 57701 | www.rapidcitypolice.org  
Administration: 605-394-4133 | Records: 605-394-4117 | Non-Emergency Dispatch: 605-394-4131

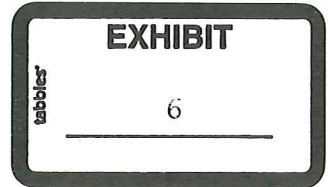
Supporting Narrative

Printed on March 10, 2014

## Supporting Report By Sue Fox, 3/6/14 13:52

Case #CR14-201834

Typed By Sue Fox



On 3-5-14, I spoke with Rana Graham regarding this case report. She indicated she had researched the laws pertaining to notarizing documents and wanted to pursue criminal charges against all involved in the contractor's lien filed against her. She stated she had also filed a complaint with the City of Rapid City, regarding the improper filing of the work permit. She believed the signature on the City permit was different than the one on the contractor's lien and she suspected it was not properly signed. She said she filed a small claims suit against the company (Bolt Construction) for the inadequate roofing project, and next hearing was scheduled for March 23, 2014. Rana said she did not want to hire a civil attorney to fight the lien issue and was hoping for a criminal charge to act as leverage to get Bolt Construction to drop the lien.

On 3-6-4 at approximately 1330 hrs, I spoke with Alison Grohs via telephone (718-5673). She admitted she participated in the preparation of the contractor's lien paperwork by witnessing Colleen (last name unknown) place Lyndon Bolt's signature stamp on the form and then she (Alison) notarized the signature. She said she had been a notary for many years and was not aware it was unlawful to notarize a stamped signature. She also indicated Colleen advised it was permissible to do so. She said Colleen was a bookkeeper for CPA Ben Folsland, and this occurred in Folsland's office on W Fulton St.

On 3-6-14 at 1450 hrs, I called Colleen Schjodt (342-6633). She recalled Alison bringing a document to her office for Lyndon Bolt's signature stamp, because Lyndon Bolt was out of town. Colleen stated she had been given the authority to stamp Lyndon Bolt's signature, and she stamped the document as requested. She wasn't sure who notarized the signature stamp (didn't remember if it was someone from her office or Alison). She stated she was not a notary and did not know the notary rules, and she did not advise Alison whether it was acceptable or not to notarize a signature stamp. She didn't recall a specific conversation with Lyndon Bolt before she stamped the document, and believed she stamped the document based on prior practices of stamping his name as needed when he was out of town. She assumed Alison had specifically talked to Lyndon.

On 3-7-14 at 0948 hrs, I talked to Lyndon Bolt. He confirmed the use of his signature stamp for the mechanics / contractor's lien was at his request and with his complete knowledge. He explained he typically handles these issues himself, however, because he was completely unavailable (out of state), he believed this was an acceptable practice. He assured me he would never again use the signature stamp for documents requiring a notary witness.

I spoke with Deputy States Attorney Patrick Grode regarding the information gathered from all parties involved. He indicated criminal charges would not be filed in this matter, however, he intended to notify the Secretary of State of the notary issue.

On 3-7-14 at 1010 hrs, I contacted Rana Graham and summarized the information gathered in the investigation. I advised her the case would be closed without prosecution.

On 3-7-14 at 1335 hrs, I contacted Bolt Construction and notified Alison Grohs and Lyndon Bolt the case would be closed without prosecution. Mr. Bolt again stated this error would never occur again.





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Supporting Narrative

Printed on March 10, 2014

### Supporting Report By Sue Fox, 3/10/14 14:00

Case #CR14-201834

Typed By Sue Fox

On 3-10-14 at approximately 1350 hrs, I spoke with Nate Schweppe, owner of Pro Exteriors. He explained he had previously completed an inspection of Rana Graham's roof and submitted a detailed report. Recently, he spoke with Rana Graham and she asked him to call me with the following information.

On this past Saturday (3-8-14), Mr. Schweppe received a telephone call from Lyndon Bolt. During the conversation, Mr. Schweppe said Mr. Bolt said something about giving him "an opportunity to write a rebuttal" to the prior inspection report, and "you have better things to do than go to small claims court and get sued". Mr. Schweppe said Rana Graham had asked him to go with her to the small claims hearing on March 27th regarding his inspection report. He did not know if he would actually testify. Mr. Schweppe believes Mr. Bolt was insinuating that he would sue him over his inspection report and/or his testimony to the small claims court.

END OF REPORT