## STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY DIVISION OF MORTGAGE LENDING

Before the Commissioner of the Division of Mortgage Lending	
In the Matter of:	
DIVISION OF MORTGAGE LENDING,	Order No. <u>2016-017</u>
Petitioner,	Case No. 2016-017
v. )	Case No. 2010-017
ADVANTAGE MORTGAGE,  Mortgage Broker License No. 2518,  NLMS ID No. 3034,	
and )	
SCOTT KRELLE, President & Sole Shareholder, Mortgage Agent License No. 48262, NMLS ID No. 17082,	
Respondents.	

## CONSENT ORDER

TO CEASE AND DESIST VIOLATING NRS 645B AND NAC 645B,
REQUIRING COMPLIANCE WITH NRS 645B AND NAC 645B, PROHIBITING FUTURE
NEVADA APPLICATIONS OR REGISTRATIONS,
REQUIRING SURRENDER OF MORTGAGE BROKER LICENSE AND REQUIRING
SURRENDER OF MORTGAGE AGENT LICENSE

Issued and Entered,
This day of \_\_\_\_\_\_, 2017,
By Cathy Sheehy,
Commissioner

The Commissioner of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Commissioner") having been statutorily charged with the responsibility and authority to administer and enforce Chapter 645B of the Nevada Revised Statutes, NRS 645B.010 et seq. ("the Statute") and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 et seq. ("the

Regulation") (collectively "the Act"), governing the licensing and conduct of mortgage brokers and mortgage agents in the State of Nevada; and,

The Commissioner having been granted general supervisory power and control and administrative enforcement authority over all mortgage brokers and mortgage agents doing business in the State of Nevada pursuant to the Statute, including the authority to conduct examinations and investigations of its licensed mortgage brokers and mortgage agents to determine whether any such person has violated any provision of the Act; and,

ADVANTAGE MORTGAGE ("ADVANTAGE") being an active foreign corporation organized under the laws of California and holding a Nevada business license (Entity No. E0261132006-0); and,

ADVANTAGE having been granted a mortgage broker license by the Commissioner (License No. 2518, NMLS ID. No. 3034) pursuant to the Act, on or about April 24, 2006; and,

SCOTT KRELLE ("KRELLE") having been granted a mortgage agent license by the Commissioner (License No. 48262, NMLS ID. No. 7082) pursuant to the Act on or about November 23, 2010; and,

KRELLE being the president and sole shareholder of ADVANTAGE; and,

The Division of Mortgage Lending (the "Division") staff having conducted an examination of the books and records of ADVANTAGE for the period of July 1, 2013 through May 31, 2015, pursuant to NRS 645B.060; and,

Based upon the findings of the examination and review of the files and records of the Division, the Commissioner determined that ADVANTAGE and KRELLE (collectively, "the RESPONDENTS") had engaged in activity and conduct that violated provisions of the Act. In particular, the Commissioner determined that RESPONDENTS: failed to fully cooperate with the examination; engaged in Nevada mortgage lending activity from an unlicensed California office; failed to keep and maintain complete and suitable records relating to loan files and additional books and records; offered or provided the services of, or instructed an agent to engage in unlicensed activity; engaged in gross negligence or incompetence; engaged in unlicensed activity; failed to maintain a principal licensed location in Nevada; failed to notify the Division of the closure of a specified Nevada office; failed to designate a

qualified employee who met the requirements of the Regulation for that specified Nevada office; and failed to comply with the terms of a prior consent order issued by the Commissioner.; and,

RESPONDENTS having been served on or about October 10, 2016, and in accordance with NRS 233B.127(3), with a NOTICE OF OPPORTUNITY TO SHOW COMPLIANCE AND PROPOSED ADMINISTRATIVE COMPLAINT providing RESPONDENTS with (1) notice of facts or conduct which warrant disciplinary action against RESPONDENTS and (2) notice of their opportunity for an informal conference prior to the commencement of formal disciplinary action, to show compliance with all lawful requirements for the retention of ADVANTAGE'S mortgage broker license; and,

RESPONDENTS having availed themselves of the opportunity to show compliance at an informal conference conducted at the Division's office on December 2, 2016; and,

RESPONDENTS having expressed a desire to cooperate with the Division, after formally contesting the allegations, and to avoid the time and expense involved in a formal administrative enforcement hearing; and,

The Division and RESPONDENTS having conferred concerning this matter and determined to resolve this matter pursuant to the following terms:

- 1. RESPONDENTS, without admitting any liability or that there were violations of the Act, agree to henceforth cease and desist from any violations of the Act; and,
- 2. ADVANTAGE agrees to immediately cease and desist from conducting any activity in the State of Nevada requiring licensure under the Act and to voluntarily surrender its Nevada mortgage broker license (License No. 2518); and,
- 3. KRELLE agrees to immediately cease and desist from conducting any activity in the State of Nevada requiring licensure under the Act and to voluntarily surrender his Nevada mortgage agent license (License No. 48262); and,
- 4. ADVANTAGE agrees to tender to the Division its surrendered Nevada mortgage broker license (License No. 2518) and KRELLE agrees to tender to the Division his surrendered Nevada mortgage agent license (License No. 48262), immediately upon KRELLE'S execution and return of the Voluntary Consent to Entry of Commissioner's Consent Order ("VOLUNTARY CONSENT"). The

VOLUNTARY CONSENT and the surrendered licenses shall be delivered to the Division at 7220 Bermuda Road, Suite A, Las Vegas, Nevada 89119, attention Jessica Monsour, Chief Compliance Investigator.

- 5. KRELLE agrees that he, individually, or as an officer, director, shareholder, member, or partner of any business entity, whether on behalf of ADVANTAGE or any other business entity, shall not make application to the Commissioner for licensure or registration under any licensing or regulatory program administered by the Commissioner; and,
- 6. RESPONDENTS understand and agree that failure to strictly comply with each and every provision of this Consent Order is a violation of NRS 645B.670(1)(b)(3) and is grounds for any discipline authorized under the Statute.

RESPONDENTS, by and through SCOTT KRELLE, ADVANTAGE'S President, having knowingly and voluntarily affixed their signature to the attached VOLUNTARY CONSENT, incorporated herein by this reference, have consented to the issuance of this Consent Order with the intent to be legally bound hereby, and having waived and relinquished any and all rights that RESPONDENTS may now or hereafter have to be served with a notice of charges and an administrative hearing in this matter or to judicial review of, or otherwise challenge or contest, the entry of this Consent Order; and,

RESPONDENTS having had opportunity to consult with legal counsel of their choosing concerning this matter; and,

The Commissioner having made the following FINDINGS and CONCLUSIONS based upon the foregoing and the books and records of the Division:

- 1. The Commissioner has jurisdiction and authority to issue this Consent Order in this matter, pursuant to the Nevada Administrative Procedures Act ("NAPA"), NRS 233B.010 et seq., and the Statute.
- 2. All required notices have been issued in this matter, and the notices and service thereof were appropriate and lawful in all respects.
- 3. The terms of this Consent Order are a reasonable resolution of this matter and in the public interest.

4. All applicable provisions of NAPA and NRS 622 have been met.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

- 1. RESPONDENTS shall CEASE AND DESIST from any and all violations of the Act.
- 2. RESPONDENTS shall not conduct any activity in the State of Nevada requiring licensure under the Act.
- 3. ADVANTAGE shall surrender its Nevada mortgage broker license (License No. 2518) which shall be tendered to the Division immediately upon KRELLE'S execution and return of the VOLUNTARY CONSENT. The VOLUNTARY CONSENT and the surrendered mortgage broker license shall be delivered to the Division at 7220 Bermuda Road, Suite A, Las Vegas, Nevada 89119, attention Jessica Monsour, Chief Compliance Investigator.
- 4. KRELLE shall surrender his Nevada mortgage agent license (License No. 48262) which shall be tendered to the Division immediately upon KRELLE'S execution and return of the VOLUNTARY CONSENT. The VOLUNTARY CONSENT and the surrendered mortgage agent license shall be delivered to the Division at 7220 Bermuda Road, Suite A, Las Vegas, Nevada 89119, attention Jessica Monsour, Chief Compliance Investigator.
- 5. KRELLE shall not, individually, or as an officer, director, shareholder, member or partner of any business entity, whether on behalf of ADVANTAGE or any other business entity, make application to the Commissioner for licensure or registration under any licensing or regulatory program administered by the Commissioner.
- 6. This Consent Order shall be and is effective and enforceable on the date that it is issued, as shown in the caption hereof.
- 7. This Consent Order shall remain effective and enforceable until terminated, modified, set aside, or suspended in writing by the Commissioner.

8. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as the Commissioner shall deem just, necessary, and appropriate to enforce the provisions of the Act and protect the public.

DIVISION OF MORTGAGE LENDING

CATHY SHEEHY, COMMISSIONER

IT IS SO ORDERED.