

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

In the Matter of:)
)
MT. OLYMPUS a/k/a MOUNT OLYMPUS,) Order No. 2019-007
a/k/a MT. OLYMPUS TITLE,)
a/k/a MT. OLYMPUS TITLE INSURANCE,) Case No. 2019-007
a/k/a MT. OLYMPUS TITLE INSURANCE)
AGENCY, INC.,)
Escrow Agency License No. UNL)
(unlicensed))
)
and)
)
TAMRA LEE,)
Escrow Agent License No. UNL)
(unlicensed))
)
Respondent/Respondents.)
)

FINAL DECISION AND ORDER

I. PROCEDURAL HISTORY

On July 24, 2019, the State of Nevada, Department of Business and Industry, Division of Mortgage Lending ("Division"), served an Order to Cease and Desist, Order Imposing an Administrative Fine and Investigative Costs, and Notice for Opportunity and Administrative Hearing (Division Exhibit #9), against MT. OLYMPUS a/k/a MOUNT OLYMPUS, a/k/a MT. OLYMPUS TITLE, a/k/a MT. OLYMPUS TITLE INSURANCE, a/k/a MT. OLYMPUS TITLE INSURANCE AGENCY, INC., Escrow Agency License No. UNL (unlicensed) and TAMRA LEE, Escrow Agent License No. UNL (unlicensed) as the Respondent/Respondents' in this matter.

On August 12, 2019, the Respondent/Respondents' submitted a Verified Petition Requesting Administrative Hearing on the Division (Division Exhibit #10).

On November 19, 2020, the Division served the Disciplinary Complaint and Notice of Hearing on Respondent/Respondents' (Division Exhibit #12).

1 This matter was properly noticed and set for hearing on December 17, 2020.

2 **II. APPLICABLE LAWS, REGULATIONS, AND ISSUES PRESENTED**

3 The Commissioner of the State of Nevada, Department of Business and
4 Industry, Division of Mortgage Lending (“the Commissioner”), is charged with the
5 responsibility and authority to administer and enforce Chapter 645A of the Nevada
6 Revised Statutes (NRS), 645A.010 *et seq.* (“the Statute”), and Chapter 645A of the
7 Nevada Administrative Code (NAC), 645.005 *et. seq.* (“the Regulation) (collectively,
8 “the Act”), governing the licensing and conduct of escrow agencies and escrow agents
9 doing business in the State of Nevada. The Commissioner is vested with the general
10 supervisory power and control over all escrow agencies and escrow agents doing
11 business in the State of Nevada. In addition, the Commissioner has broad authority to
12 determine whether any person is violating or has violated any provisions of the Act.

13 The Division commenced an investigation of the Respondent/Respondents’
14 business practices pursuant to NRS 645A.015(1) and 645A.050(2)(c) to determine if
15 the Respondent/Respondents’ were engaged in activity requiring licensure as an
16 escrow agent and escrow agency under the Statute.

17 **NRS 645A.010 Definitions.** As used in this chapter, unless the context
18 otherwise requires:

19 1. “Business of administering escrows” or “administering escrows” means
20 the process of managing, conducting or supervising an escrow or escrow-related
21 transaction as an escrow agent or escrow agency.

22 7. “Escrow” means any transaction wherein one person, for the purpose of
23 effecting or closing the sale, purchase, exchange, transfer, encumbering or leasing of
24 real or personal property to another person or persons, delivers any written instrument,
25 money, evidence of title to real or personal property, or other thing of value to a third
26 person to be held by such third person until the happening of a specified event or the
27 performance of a prescribed condition, when it is then to be delivered by such third
28 person, in compliance with instructions under which he or she is to act, to a grantee,

1 grantor, promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor or any agent
2 or employee thereof. The term includes the performance of the services of a
3 construction control.

4 8. "Escrow agency" means:

5 (a) Any person who employs one or more escrow agents; or

6 (b) An escrow agent who administers escrows on his or her own behalf.

7 9. "Escrow agent" means any natural person employed by and associated
8 with an escrow agency engaged in the business of administering escrows for
9 compensation.

10 NRS 645A.010(7) expressly includes within the statutory definition of "escrow,"
11 the performance of the services of construction control, which pursuant to NRS
12 645A.010(4), has the meaning ascribed to the term as provided in NRS 627.050.

13 **NRS 627.050 "Construction control" defined.** A "construction control" is
14 any person that engages in the control or disbursement of any funds payable or paid
15 to laborers, materialmen, material suppliers, contractors, subcontractors, architects,
16 engineers or others, for the purpose of satisfying bills incurred in construction, repair,
17 alteration or improvement of any premises or that engages in the processing or
18 approval of any mechanic's lien release, voucher or authorization for payment of a
19 labor bill, or material bill where such bill is incurred in the construction, repair, alteration
20 or improvement of any premises.

21 **NRS 645A.015(1) Unlawful to engage in business of administering**
22 **escrows or act in capacity of escrow agent or escrow agency without license;**
23 **exceptions.**

24 1. Except as otherwise provided in subsection 2, it shall be unlawful for
25 any person to engage in or carry on, or hold himself or herself out as engaging in or
26 carrying on, the business of administering escrows or to act in the capacity of an
27 escrow agent or escrow agency within this State or with respect to any transaction
28 involving real or personal property located in this State without first obtaining a license

1 as an escrow agent or escrow agency issued by the Commissioner pursuant to the
2 requirements of this chapter.

3 **NRS 645A.220 Transactions by foreign corporations.** It is unlawful for
4 any foreign corporation to transact any escrow business in this state unless it:

- 5 1. Qualifies under chapter 80 of NRS; and
- 6 2. Complies with the provisions of this chapter unless exempted by NRS
7 645A.015.

8 **III. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

9 This Final Decision and Order hereby incorporates by reference as part of the
10 Findings of Fact and Conclusions of Law in this Final Decision and Order, Division
11 Exhibit #1 through Division Exhibit #13. Division Exhibit #1 through Division Exhibit
12 #13 were admitted into the record without objection. The *Findings of Fact and*
13 *Conclusions of Law* set forth in Division Exhibit #9 and Division Exhibit #12 are also
14 hereby incorporated as part of the Findings of Fact and Conclusions of law in this Final
15 Decision and Order.

16 The Respondent/Respondents' did not submit any exhibits at the hearing, but
17 offered testimony concerning their position and their attempts to obtain licensure with
18 the Division.

19 The Division initiated an investigation of Respondent/Respondents' based on
20 an email dated April 11, 2018 (Division Exhibit #1), that notified the Division in summary
21 as follows:

22 "It has come to my attention that Mount Olympus Title is performing construction
23 control services in the state of Nevada without being a license escrow
24 agency/agent in Nevada. As a title company outside the State of Nevada, I'm
25 unclear if they fall under NRS 645A, however, I feel it's important to bring it to
26 your attention.

27 This is not only unfair to those of us who lawfully maintain our escrow
28 licenses/escrow agent licenses, it also takes revenue from our business. NCS
recently lost a contract to Mount Olympus Title."

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1 During the Division's investigation into the allegations made against the
2 Respondent/Respondents', it was discovered that the Respondent/Respondents' were
3 registered with the Nevada Secretary of State as MT. OLYMPUS TITLE INSURANCE
4 AGENCY, INC. However, it was unclear whether the Respondent/Respondents ever
5 obtained any state, county, or city business license to conduct or operate a business
6 in Nevada under the name of any entity used by the Respondent/Respondents'. As
7 part of the investigation process, multiple emails and correspondence were exchanged
8 between the Division and the Respondent/Respondents' concerning the nature of the
9 Respondent/Respondents' business operations, and whether licensure was required
10 under NRS 645A (Division Exhibit #2 through Division Exhibit #8).

11 The Division's investigation also revealed that at no time has
12 Respondent/Respondents' been licensed as an escrow agency or escrow agent in
13 Nevada under the Statute, or as a title agent or escrow officer under NRS Chapter
14 692A.

15 Division Exhibit #5 as admitted into the record documented and contained
16 evidence that the Respondent/Respondents' engaged in at least 13 construction-
17 control transactions during the period covering December 13, 2017, through August
18 20, 2018 (Division Exhibit #5). The 13 construction control transactions were
19 documented in 13 "Disbursing Agreements" which the Respondent/Respondents'
20 provided to the Division. These evidenced that the Respondent/Respondents
21 engaged in and/or carried on in services in which they agreed to conduct or did conduct
22 the services of a construction control with respect to the construction of 13 Nevada
23 residential properties within the meaning of the Statute. The "Disbursing Agreements"
24 contained the following language and additional language that is documented in
25 Division Exhibit #5 (the loan #'s, title commitment #'s, and amounts are contained in
26 the 13 individual "Disbursing Agreements):

27 ///

28 ///

1 "ATTENTION: Escrow Department

2 RE: Loan # [] TITLE COMMITMENT #

3
4 Ladies and Gentlemen:

5 U.S. Bank National Association (the "Lender") has authorized a loan in the
6 amount of []. The Borrower(s) has paid the Contractor the sum of
7 []. Total funds available for construction will be [] and will be
8 deposited with MOUNT OLYMPUS (the "Title Agent/Disbursing Agent") from
time to time in installments as shall hereafter be agreed upon between the
Contractor, the Borrower(s) and the Lender.

9 The Title Agent/Disbursing Agent is hereby directed to disburse all funds
10 deposited in this account upon order of the undersigned parties to the
11 Contractor, securing at the time of each respective disbursement proper waivers
12 of lien for the amount so paid on the condition that the exception as to
construction liens noted in the above commitment will be eliminated as to
lienable claims arising from the amounts disbursed.

13 The Title Agent/Disbursing Agent is hereby authorized to enter upon the
14 premises to conduct inspections on behalf of the Lender for the purposes of
15 determining whether payment to the Contractor is warranted. It is understood
16 that the inspections with the Title Agent/Disbursing Agent may conduct are for
the direct benefit of the Lender only, their purpose being to assure Lender that
the state of construction substantially justifies payment to the Contractor . . . "

17 The evidence and testimony provided by the Division clearly established that
18 the Respondent/Respondents' engaged in, carried on, or held themselves out as
19 engaging in or carrying on the business of administering escrows or acting in the
20 capacity of an escrow agent and escrow agency within the meaning of NRS 645A.015
21 and NRS 645A.010(1), (7), (8) and (9). This occurred when, for the purpose of
22 performing the services of a construction control as provided in NRS 645A.010(5) and
23 NRS 627.050, the Respondent/Respondents' contracted with borrowers (in
24 effectuating or closing a bank loan between the borrower and the lender for the
25 construction of a residential dwelling on Nevada property) for the
26 Respondent/Respondents' disbursement of the loan funds payable to contractors,
27 subcontractors, and material suppliers throughout the construction process associated
28 with numerous building projects (Division Exhibit #5).

1 The Respondent/Respondents' were not licensed to engage in, carry on, or hold
2 themselves out as engaging in or carrying on the business of administering escrows
3 or acting in the capacity of an escrow agency within the meaning of NRS 645.015 and
4 NRS 645A.010(1), (7), (8) and (9). Despite being advised to not engage in this activity
5 without a license (Division Exhibit #2), the Respondent/Respondents' continued to
6 engage in this activity without a license as required by NRS 645A. The
7 Respondent/Respondents' are also not licensed as a title agent or escrow officer under
8 NRS 692A.

9 Because the Respondent/Respondents' activities required a license under NRS
10 645A, the Division and the Respondent/Respondents' began an over year long
11 process (starting in April 2018) to provide the Respondent/Respondents' with the
12 opportunity to obtain the required licensure under NRS 645A. Division Exhibit #2
13 through Division Exhibit #8 document and evidence the communications between the
14 Division and what was required for licensure, and the Respondent/Respondents'
15 representations that she/they were taking the required steps and submitting the proper
16 documentation to obtain licensure under NRS 645A.

17 At the time of the hearing, the Respondent/Respondents' still maintained that
18 they were attempting to provide the necessary information to obtain licensure. The
19 testimony from the Respondent/Respondents' also seemed to state that the
20 Respondent/Respondents' were still engaged in activities that required licensure under
21 NRS 645A and/or 692A, despite the warnings and actions taken by the Division.

22 The testimony of the Respondent/Respondents' is not credible as to the issue
23 of attempting to complete the licensure process. The Division afforded the
24 Respondent/Respondents' multiple opportunities to complete the licensure process as
25 demonstrated in Division Exhibit #2 through Division Exhibit #8. Because the
26 Respondent/Respondents' failed to provide the required documentation and evidence
27 for licensure for over a year, the Division considered the application "abandoned." The
28 Division's position is supported by the evidence admitted into the record and the

1 testimony of the Respondent/Respondents'. The Respondent/Respondents' failed to
2 obtain a license for their business activities and operations as required by NRS 645A
3 and/or 692A. The Hearing Officer acknowledges but does not accept the
4 Respondent/Respondents' testimony that various factors may have contributed to the
5 failure to obtain licensure. However, that does not excuse engaging in unlicensed
6 activity, which is unfair to the other individuals and entities that have completed the
7 licensure process with the Division.

8 The Division's issuance of the Order to Cease and Desist dated July 24, 2019,
9 (Division Exhibit #9), and the Disciplinary Complaint and Notice of Hearing dated
10 November 19, 2020 (Division Exhibit #12), are clearly supported by the facts, evidence,
11 and testimony submitted and admitted into the record as set forth above and at the
12 hearing. The Respondent/Respondents' engaged in unlicensed business operations
13 and activities that require a license pursuant to NRS section 645A and/or 692A. The
14 Respondent/Respondents' never completed the licensure process to engage in these
15 business operations and activities in the State of Nevada.

16 NAC section 645A.350 vests the Commissioner with the authority to order a
17 person engaging in activity in violation of the Statute or the Regulation to immediately
18 cease and desist from engaging in the activity. The Commissioner properly exercised
19 that authority based on the Respondent/Respondents' actions in conducting
20 unlicensed activity even though the Respondent/Respondents' were informed that they
21 needed to obtain a license from the Division (Division Exhibit #2 through Division
22 Exhibit #13).

23 NRS 645A.086 authorizes the Commissioner to impose an administrative fine
24 of not more than \$25,000.00 for each violation on a person that offers or provides any
25 of the services of an escrow agent or escrow agency or otherwise engages in, carries
26 on or holds myself or herself out as engaging in or carrying on the business of an
27 escrow agent or escrow agency and, at the time the person was required to have a
28 license pursuant to the Statute and the person did not have such a license. The

1 Division found there were 13 violations based on the 13 "Disbursing Agreements" as
2 documented and evidenced in Division Exhibit #5. The total administrative fine
3 imposed is \$39,000.00 (\$3,000.00 per violation) based on the 13 violations. The
4 Commissioner properly exercised his/her authority in imposing a \$3,000.00
5 administrative fine for each violation based on the applicable laws and the findings of
6 fact and evidence submitted.

7 The Division is also allowed to recover its costs and attorney's fees incurred as
8 part of the investigation and disciplinary proceedings pursuant to NRS 622.400. The
9 Division documented and submitted itemized costs of \$2,940.00.00 pursuant to NRS
10 622.400 that are authorized by law and supported by the findings of fact and evidence
11 submitted.

12 THEREFORE, it is ORDERED that:

- 13 1. The Respondent/Respondents' shall Cease and Desist from engaging in, or
14 otherwise carrying on or holding themselves out as engaging in or carrying
15 on any activities that require licensure as an escrow agent or escrow agency
16 under the Statute.
- 17 2. The administrative fine of \$39,000.00 is upheld based on the violations
18 committed by the Respondent/Respondents' in engaging in and carrying on
19 unlicensed activity on at least 13 separate occasions.
- 20 3. The Division shall recover its investigative costs of \$2,940.00
- 21 4. The administrative fine of \$39,000.00 and the investigative costs of \$2,490.00
22 shall be payable to the Division within 30-days of the date of this Final
23 Decision and Order.

24 DATED this 28th day of December 2020.

25
26 By:


Shannon M. Chambers
Hearing Officer appointed by the Division

27
28 Labor Commissioner - State of Nevada
Department of Business and Industry