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

In re:

MDE Capital and James Mason,  
Respondents.

**ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE  
FINES AND NOTICE OF RIGHT TO REQUEST HEARING**

The licensing and regulation of mortgage bankers in the State of Nevada is governed by Chapter 645E of the Nevada Revised Statutes ("NRS") and Chapter 645E of the Nevada Administrative Code ("NAC"). The licensing and regulation of mortgage brokers and mortgage agents in the State of Nevada is governed by Chapter 645B of NRS and Chapter 645B of NAC. The State of Nevada, Department of Business and Industry, Division of Mortgage Lending ("the Division") has the general duty to exercise supervision and control over mortgage bankers, mortgage brokers and mortgage agents, as well as mortgage banker, mortgage broker and mortgage agent activity. See, NRS 645E.300, NRS 645E.620, NRS 645B.060, NRS 645B.670 and NRS 645B.690. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order, as follows:

**FACTUAL ALLEGATIONS**

1. Based upon information and belief, Respondent MDE Capital is a limited liability company with an office located at 1985 Highway 34, Building A, No. A2, Wall, New Jersey 07719.
2. MDE Capital has never been issued a mortgage banker or mortgage broker license by the Division pursuant to Chapter 645E or Chapter 645B of NRS.
3. Based upon information and belief, from January 2004 to the present, Respondent

1 James Mason ("Mason") is, and has been, the president of MDE Capital and, at relevant  
2 times herein mentioned, acted as a mortgage agent affiliated with, or employed by, MDE  
3 Capital.

4 4. Mason has never been issued a mortgage banker, mortgage broker or mortgage  
5 agent license by the Division pursuant to Chapter 645E or Chapter 645B of NRS.

6 5. The Division has never licensed MDE Capital to conduct mortgage banking or  
7 mortgage broker activity in the State of Nevada out of its office located at 3 Bradford Terrace,  
8 Middletown, New Jersey 07748 (Unlicensed New Jersey Office").

9 6. Based upon information and belief, at relevant times herein mentioned, Donald  
10 Ross ("Ross") was a resident of Las Vegas, Nevada.

11 7. Based upon information and belief, at relevant times herein mentioned, Randolph  
12 Wetcher ("Wetcher") and Dominic Alleva ("Alleva") were the owners of certain real property  
13 located at 7178 Cloud View Circle, Las Vegas, Nevada 89119 ("the Property").

14 8. On approximately January 3, 2008, the Division received a written complaint ("Ross  
15 Complaint") from Ross concerning MDE Capital and Mason, alleging, among other things,  
16 that:

17 a. A real estate agent whom Ross had contacted to purchase a house  
18 suggested that Ross contact MDE Capital for a loan;

19 b. The real estate agent informed Ross that MDE Capital was licensed to do  
20 business in Las Vegas;

21 c. In an e-mail on October 19, 2007, Mason instructed Ross to send a check in  
22 the amount of 1% which the lender required upfront instead of at closing in order to lock a  
23 rate and draw loan documents;

24 d. Pursuant to Mason's instruction, Ross made out a check payable to MDE  
25 Capital in the amount of \$1,833.00;

1 e. In late November 2007, Ross' application for a loan was denied and Ross left  
2 Mason a voice mail message reminding him to return his money; and

3 f. In an e-mail on December 10, 2007, Mason informed Ross that the subject  
4 refund had been processed and Ross would receive it by the following week.

5 9. In his written response to the Ross Complaint on January 29, 2008, Mason stated  
6 that "(a)ll monies have been returned from the bank to Mr. Donald Ross." Further, Mason  
7 stated that "MDE Capital does NOT solicit mortgages in Nevada. MDE Capital is a consulting  
8 and real estate company...."

9  
10 10. On approximately January 16, 2008, the Division received a written complaint from  
11 Wetcher and Alleva ("Wetcher/Alleva Complaint") concerning MDE Capital and Mason,  
12 alleging, among other things, that:

13 a. In mid-October 2007, a licensed real estate agent in Las Vegas referred  
14 Wetcher and Alleva to Mason to refinance the Property;

15 b. The real estate agent indicated to Wetcher and Alleva that Mason would be  
16 able to "take care" of them even though Mason was conducting all business from New Jersey;

17 c. After reviewing Wetcher's and Alleva's current mortgage, Mason said that he  
18 would be able to refinance the Property, to a lower interest rate, and it would save Wetcher  
19 and Alleva a considerable amount on their monthly payment;

20 d. At the commencement of the refinance process, Mason told Wetcher and  
21 Alleva that he required a 1% deposit check to lock in the loan while the application was being  
22 processed and that the deposit money would be used for closing costs;

23 e. On October 18, 2007, pursuant to Mason's request, Wetcher and Alleva sent  
24 a \$3,150.00 check payable to MDE Capital in New Jersey and on October 25, 2007, Mason  
25 cashed the check;

26  
27 f. In December 2007, Mason indicated to Wetcher and Alleva that he could not  
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1 close the loan and some bank had their deposit money, but if he did get their money back, he  
2 would attach a \$500.00 processing fee; and

3 g. After Wetcher and Alleva repeatedly asked Mason for their deposit money  
4 back, at the end of December 2007, Mason said that the bank sent a check to him, but  
5 because the check was made payable to him, Mason had to deposit the check into his  
6 account and would send Wetcher and Alleva their deposit minus \$500.00 that the bank was  
7 withholding for an audit.

8 11. Pursuant to NRS 645E.300 and NRS 645B.060, the Division is charged with  
9 conducting such investigations as may be necessary to determine whether any person has  
10 violated any provision of Chapter 645E or Chapter 645B of NRS, a regulation adopted  
11 pursuant thereto or an order of the Commissioner. See, NRS 645E.300(2)(c) and NRS  
12 645B.060(2)(c).

14 12. Pursuant to NRS 645E.300 and NRS 645B.060, the Division is further charged  
15 with conducting "...such other investigations, periodic or special audits, investigations and  
16 hearings as may be necessary for the efficient administration of the laws of this State..."  
17 regarding mortgage bankers, mortgage brokers and mortgage agents. See, NRS  
18 645E.300(2)(e) and NRS 645B.060(2)(e).

20 13. Pursuant to NRS 645E.620 and NRS 645B.620, whether or not a complaint has  
21 been filed, the Division may investigate a mortgage banker, mortgage broker, mortgage agent  
22 or other person if, for any reason, it appears that the mortgage banker, mortgage broker,  
23 mortgage agent or other person is conducting business in violation of any provision of  
24 Chapter 645E or Chapter 645B of NRS, a regulation adopted pursuant thereto or an order of  
25 the Commissioner; the person is offering or providing any of the services of a mortgage  
26 banker, mortgage broker or mortgage agent or otherwise engaging in, carrying on or holding  
27 himself out as engaging in or carrying on the business of a mortgage banker, mortgage  
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1 broker or mortgage agent without being licensed or exempt from licensing pursuant to the  
2 provisions of Chapter 645E or Chapter 645B of NRS; or the person is violating any other  
3 provision of Chapter 645E or Chapter 645B of NRS, a regulation adopted pursuant thereto or  
4 an order of the Commissioner. See, NRS 645E.620(1)(a), (b), (c) and NRS 645B.620(1)(a),  
5 (b), (c).

6 14. Pursuant to NRS 645E.900 and NRS 645B.900, unless a person is exempt from  
7 Chapter 645E or Chapter 645B of NRS and complies with exemption requirements, it is  
8 unlawful for any person to offer or provide any of the services of a mortgage banker,  
9 mortgage broker or mortgage agent or otherwise to engage in, carry on or hold himself out as  
10 engaging in or carrying on the business of a mortgage banker, mortgage broker or mortgage  
11 agent without first obtaining a license as a mortgage banker, mortgage broker or mortgage  
12 agent pursuant to Chapter 645E or Chapter 645B of NRS.

14 15. After receiving the Ross Complaint and the Wetcher/Alleva Complaint regarding  
15 MDE Capital and Mason, the Division conducted an investigation of the allegations in  
16 question. This investigation revealed, among other things, that:

17 a. MDE Capital has never been licensed by the Division to conduct mortgage  
18 banker or mortgage broker activity in the State of Nevada pursuant to Chapter 645E or  
19 Chapter 645B of NRS;

21 b. Mason has never been licensed by the Division to conduct mortgage banker,  
22 mortgage broker or mortgage agent activity in the State of Nevada pursuant to Chapter 645E  
23 or Chapter 645B of NRS;

24 c. From approximately October 2007 through mid-January 2008, MDE Capital,  
25 through Mason, offered or provided services of a mortgage banker, mortgage broker or  
26 mortgage agent in the State of Nevada from MDE Capital's Unlicensed New Jersey Office,  
27 including reviewing loan documents, discussing loan terms and loan products, requiring and  
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1 receiving rate lock fees upfront and locking rates;

2 d. At the time of offering or providing the above-referenced services of a  
3 mortgage banker, mortgage broker or mortgage agent, MDE Capital and Mason were neither  
4 licensed by the Division as a mortgage banker, mortgage broker or mortgage agent nor  
5 exempt from licensing pursuant to the provisions of Chapter 645E or Chapter 645B of NRS;

6 e. MDE Capital returned Ross' deposit money after the Ross Complaint was  
7 received by the Division; and

8 f. On February 28, 2008, Alleva confirmed to the Division that he had received  
9 his deposit money back from MDE Capital/Mason.  
10

11 16. Pursuant to NAC 645E.510 and NAC 645B.340, if a person engages in an activity  
12 in violation of the provisions of Chapter 645E of NAC, Chapter 645E of NRS, Chapter 645B of  
13 NAC or Chapter 645B of NRS, the Commissioner may issue an order to the person directing  
14 the person to cease and desist from engaging in the activity. See, NAC 645E.510(1) and NAC  
15 645B.340(1).

16 17. Pursuant to NRS 645E.670 and NRS 645B.670, for each violation committed by  
17 an applicant, whether or not he is issued a license, the Commissioner may impose an  
18 administrative fine of not more than \$10,000 if he has violated any provision of Chapter 645E  
19 or Chapter 645B of NRS, a regulation adopted pursuant thereto or an order of the  
20 Commissioner. See, NRS 645E.670(1)(c) and NRS 645B.670(1)(c).  
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## 22 VIOLATIONS OF LAW

23 After investigating this matter, it has been determined that:

24 a. From approximately October 2007 to mid-January 2008, MDE Capital  
25 offered or provided services of a mortgage banker or mortgage broker out of its Unlicensed  
26 New Jersey Office and otherwise engaged in, carried on or held itself out as engaging in or  
27 carrying on the business of a mortgage banker or mortgage broker without first obtaining a  
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1 mortgage banker or mortgage broker license, pursuant to Chapter 645E or Chapter 645B of  
2 NRS, in violation of NRS 645E.900 or NRS 645B.900;

3 b. From approximately October 2007 to mid-January 2008, Mason offered or  
4 provided services of a mortgage banker, mortgage broker or mortgage agent out of MDE  
5 Capital's Unlicensed New Jersey Office and otherwise engaged in, carried on or held himself  
6 out as engaging in or carrying on the business of a mortgage banker, mortgage broker or  
7 mortgage agent without first obtaining a mortgage banker, mortgage broker or mortgage  
8 agent license, pursuant to Chapter 645E or Chapter 645B of NRS, in violation of NRS  
9 645E.900 or NRS 645B.900; and

10  
11 c. MDE Capital and Mason violated provisions of Chapter 645E or Chapter  
12 645B of NRS and regulations adopted pursuant thereto (including NRS 645E.900 or NRS  
13 645B.900).

14 **ORDER**

15 **NOW, THEREFORE, THE COMMISSIONER OF THE DIVISION HEREBY ORDERS,**  
16 pursuant to NRS 622.080 and NAC 645E.510 or NAC 645B.340, after having determined that  
17 MDE Capital and Mason offered or provided services of a mortgage banker, mortgage broker  
18 or mortgage agent for which they had not received a license or a certificate of exemption out  
19 of MDE Capital's Unlicensed New Jersey Office, in violation of Chapter 645E or Chapter 645B  
20 of NRS, that **MDE CAPITAL AND MASON IMMEDIATELY CEASE AND DESIST** from the  
21 following activities:  
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23 1. Offering or providing any of the services of a mortgage banker, mortgage broker or  
24 mortgage agent for which they have not received a license or a certificate of exemption from  
25 the Division, or otherwise engaging in, carrying on or holding itself/himself out as engaging in  
26 or carrying on the business of a mortgage banker, mortgage broker or mortgage agent out of  
27 an office which has not been licensed by the Division;  
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1           2. Advertising for and/or soliciting mortgage banker, mortgage broker or mortgage  
2 agent business without having first received a license or a certificate of exemption from the  
3 Division; and

4           3. Advertising for and/or soliciting mortgage banker, mortgage broker or mortgage  
5 agent business out of an office which has not been licensed by the Division.

6           **IT IS FURTHER ORDERED**, pursuant to NAC 645E.510(4) or NAC 645B.340(4), that  
7 upon filing a verified petition with the Division within **thirty (30) days** of receipt of this Order to  
8 Cease and Desist, MDE Capital and/or Mason shall be entitled to a hearing with regard to the  
9 contents of this Order to Cease and Desist. MDE Capital and/or Mason is/are advised,  
10 however, that the provisions of this Order to Cease and Desist are effective immediately upon  
11 MDE Capital and/or Mason being served therewith, whether or not MDE Capital and/or Mason  
12 request(s) a hearing.

14           **NOTICE TO MDE CAPITAL AND MASON:** If you request a hearing, you are  
15 specifically informed that you have the right to appear and be heard in your defense, either  
16 personally or through your counsel of choice at your own expense. At the hearing, if one is  
17 timely requested, the Division will call witnesses and present evidence against you. You have  
18 the right to respond and to present relevant evidence and argument on all issues involved.  
19 You have the right to call and examine witnesses, introduce exhibits and cross-examine  
20 opposing witnesses on any matter relevant to the issues involved.

22           If the Division prevails at any hearing, it may request that attorney's fees and costs be  
23 awarded pursuant to NRS 622.400.

24           **IT IS FURTHER ORDERED**, pursuant to NRS 645E.750 or NRS 645B.750, that upon  
25 written application to the Division within **twenty (20) days** of the date of this Order, MDE  
26 Capital and/or Mason shall be entitled to a hearing with regards to the contents of this Order  
27 referenced below. At that hearing the Division will seek to:  
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**CERTIFICATE OF SERVICE**

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2  
3 **I certify that I am an employee of the State of Nevada, Department of Business and Industry,**  
4 **Division of Mortgage Lending, and that on May 5, 2009, I deposited in the U.S. mail, postage**  
5 **prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of**  
6 **the foregoing, ORDER TO CEASE AND DESIST AND NOTICE OF INTENT TO IMPOSE**  
7 **FINES AND NOTICE OF RIGHT TO REQUEST HEARING for MDE CAPITAL and JAMES**  
8 **MASON, addressed as follows:**  
9

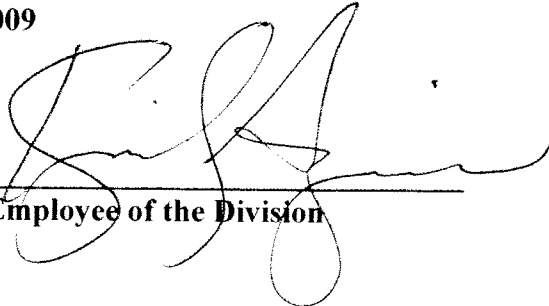
10  
11 **MDE Capital**  
12 **1985 Highway 34, Bldg. A**  
13 **No A2**  
14 **Wall, NJ 07719**

15 **Certified Receipt Number: 7006 2760 0000 0875 9667**

16  
17 **James Mason**  
18 **3 Bradford Terrace**  
19 **Middletown, NJ 07748**

20 **Certified Receipt Number: 7006 2760 0000 0875 9674**

21  
22 **DATED this 4th day of May, 2009**

23  
24  
25 **By:**   
26 **Employee of the Division**  
27  
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