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

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In re:
MORTGAGE LOAN SPECIALISTS,
INC.

Respondent.

FINAL ORDER

The State of Nevada, Department of Business and Industry, Division of Mortgage Lending Division (hereinafter, the "DIVISION"), having served the Respondent, MORTGAGE LOAN SPECIALISTS INC., (hereinafter, "RESPONDENT") on February 12, 2009, with its Notice of Intent to Impose Fine and Notice of Right to Request Hearing, attached hereto as Exhibit "1" and incorporated herein by reference, which notified RESPONDENT that a final order would issue in this matter unless, within twenty (20) days of entry and receipt of said Order, RESPONDENT requested a hearing to contest the charges against it, with said request to be made in writing, and;

Said Order having been sent to RESPONDENT via certified mail and regular mail, and received by RESPONDENT on February 17, 2009, and;

RESPONDENT having failed to request a hearing in this matter, and good cause appearing:

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1 NOW, THEREFORE, **IT IS HEREBY ORDERED** that, pursuant to NRS 645B.670 and
2 NRS 645B.690, RESPONDENT will be subject to an administrative fine in the amount of TEN
3 THOUSAND DOLLARS (\$10,000.00);

4 **IT IS FURTHER ORDERED** that the sum of said administrative fine be paid in full within
5 **thirty (30) days** of entry of the instant Order;

6 Dated this 6TH day of March, 2009.

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8 **STATE OF NEVADA**
9 **DEPARTMENT OF BUSINESS AND INDUSTRY**
10 **DIVISION OF MORTGAGE LENDING**

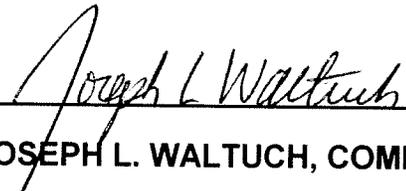
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14 By: 
15 **JOSEPH L. WALTUCH, COMMISSIONER**
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EXHIBIT “1”

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

* * *

In re:
MORTGAGE LOAN SPECIALISTS,
INC.

Respondent.

**NOTICE OF INTENT TO IMPOSE FINE
AND NOTICE OF RIGHT TO REQUEST HEARING**

The licensing and regulation of mortgage brokers and mortgage agents in the State of Nevada is governed by Chapter 645B of the Nevada Revised Statutes (hereinafter, "NRS") and Chapter 645B of the Nevada Administrative Code (hereinafter, "NAC"). The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter, the "DIVISION") has the general duty to exercise supervision and control over mortgage brokers and mortgage brokering activity. See, NRS 645B.060 (1), NRS 645B.690 and NRS 645B.670. Pursuant to that authority, the DIVISION makes the following Findings of Fact, Conclusions of Law, and Order as follows:

FACTUAL ALLEGATIONS

1. Respondent, MORTGAGE LOAN SPECIALISTS, INC. (hereinafter, "RESPONDENT") was a licensed mortgage broker operating within the State of Nevada. RESPONDENT initially registered with the DIVISION as a mortgage broker on June 1, 1998. The DIVISION currently classifies RESPONDENT'S license as inactive.

2. On May 8, 2008, pursuant to NRS 645B.060, the DIVISION conducted a regularly scheduled examination, which uncovered several violations:

1 a. RESPONDENT failed to provide and maintain copies of eight (8) borrower
2 loan files.

3 b. RESPONDENT, through its mortgage agent Zulfiya Karimova, closed two
4 loans to the same person (Szalewski) with income and occupancy discrepancies. The income
5 appears to be overstated for the position/type of employment. In addition, both loans were
6 closed as owner occupied loans in the same 30-day period representing a discrepancy in
7 occupancy for one of the transactions.

8 3. Pursuant to NRS 645B.080, "...each mortgage broker shall keep and maintain at
9 all times at each location where the mortgage broker conducts business in this state complete
10 and suitable records of all mortgage transactions made by the mortgage broker at that
11 location... [and] shall also keep and maintain at all times at each such location all original
12 books, papers and data, or copies thereof, clearly reflecting the financial condition of the
13 business of the mortgage broker..." See, NRS 645B.080 (1).

14 4. Pursuant to NAC 645B.077, "...the mortgage broker shall retain records of all of
15 his completed mortgage transactions for a period of at least 4 years after the date of the last
16 activity related to the transaction..." See, NAC 645B.077 (1).

17 5. Pursuant to NRS 645B.460 (1)(b)(1), "A mortgage broker shall exercise
18 reasonable supervision over the activities of his mortgage agents. Such reasonable supervision
19 must include, as appropriate: The establishment of a system to review, oversee and inspect the
20 activities of his mortgage agents, including, without limitation: Transactions handled by his
21 mortgage agents pursuant to this chapter." See, NRS 645B.460 (1)(b)(1).

22 6. Pursuant to NRS 645B.670 (2)(q), "...for each violation committed by a
23 mortgage broker, the Commissioner may impose upon the mortgage broker an administrative
24 fine of not more than \$10,000, may suspend, revoke or place conditions upon his license, or
25 may do both, if the mortgage broker, whether or not acting as such... [H] as failed to exercise
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1 reasonable supervision over the activities of a mortgage agent as required by NRS
2 645B.460." See, NRS 645B.670 (2)(q).

3 7. Pursuant to NRS 645B.670 (3)(b), "...for each violation committed by a mortgage
4 agent, the Commissioner may impose upon the mortgage agent an administrative fine of not
5 more than \$10,000, may suspend, revoke or place conditions upon his license, or may do
6 both, if the mortgage agent, whether or not acting as such... [H]as made a material
7 misrepresentation in connection with any transaction governed by this chapter. See, NRS
8 645B.670 (3)(b).

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10 8. The DIVISION finds that RESPONDENT'S conduct, through questionable activities
11 uncovered in the regularly scheduled examination described above, is evidence of multiple
12 violations of NRS 645B.670.

13 VIOLATIONS OF LAW

14 1. The DIVISION has determined that, through the above-described conduct,
15 RESPONDENT has violated NRS 645B.460(1)(b)(1), NRS 645B.670 (2)(q) and NRS 645B.670
16 (3)(b), NRS 645B.080 (1), and NAC 645B.077 (1).

17 ORDER

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19 **NOW, THEREFORE, IT IS HEREBY ORDERED** that, pursuant to NRS 645B.750, upon
20 the timely filing of an application with the Division within **twenty (20) days**, RESPONDENT,
21 shall be entitled to a hearing with regard to the contents of the instant Order. At that hearing, the
22 DIVISION will seek:

23
24 a. The imposition of an administrative fine against RESPONDENT in the amount
25 of Ten Thousand Dollars and No Cents (\$10,000) for RESPONDENT'S violations of NRS
26 Chapter 645B, as well as the Division's administrative costs of Five Hundred Dollars and No
27 Cents (\$500) and attorneys fees, if any, incurred herein, to be proven at the hearing; and

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