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

* * *

In re:
MDE Capital and James Mason,
Respondents.

STIPULATED SETTLEMENT AGREEMENT

STIPULATED SETTLEMENT AGREEMENT

COMES NOW, The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Division"), and MDE Capital and James Mason (each a "Party" and collectively, the "Parties") and hereby stipulate and agree through this Stipulated Settlement Agreement ("Agreement") as follows:

FACTUAL ALLEGATIONS

WHEAREAS, based upon information and belief, MDE Capital ("MDE Capital") is a limited liability company with an office located at 1985 Highway 34, Building A, No. A2, Wall, New Jersey 07719.

WHEREAS, 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.

WHEAEAS, based upon information and belief, from January 2004 to the present, James Mason ("Mason") is, and has been, the president of MDE Capital and, at relevant times herein mentioned, acted as a mortgage agent affiliated with, or employed by, MDE Capital.

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WHEREAS, Mason has never been issued a mortgage banker, mortgage broker or

1 mortgage agent license by the Division pursuant to Chapter 645E or Chapter 645B of NRS.

2 WHEREAS, the Division has never licensed MDE Capital to conduct mortgage banking
3 or mortgage broker activity in the State of Nevada out of its office located at 3 Bradford
4 Terrace, Middletown, New Jersey 07748 (Unlicensed New Jersey Office”).

5 WHEREAS, based upon information and belief, at relevant times herein mentioned,
6 Donald Ross (“Ross”) was a resident of Las Vegas, Nevada.

7 WHEREAS, based upon information and belief, at relevant times herein mentioned,
8 Randolph Wetcher (“Wetcher”) and Dominic Alleva (“Alleva”) were the owners of certain real
9 property located at 7178 Cloud View Circle, Las Vegas, Nevada 89119 (“the Property”).

10 WHEREAS, on approximately January 3, 2008, the Division received a written
11 complaint (“Ross Complaint”) from Ross concerning MDE Capital and Mason, alleging, among
12 other things, that:

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

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

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

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

23 e. In late November 2007, Ross’ application for a loan was denied and Ross left
24 Mason a voice mail message reminding him to return his money; and
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28 f. In an e-mail on December 10, 2007, Mason informed Ross that the subject

1 refund had been processed and Ross would receive it by the following week.

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

6 WHEREAS, on approximately January 16, 2008, the Division received a written
7 complaint from Wetcher and Alleva ("Wetcher/Alleva Complaint") concerning MDE Capital and
8 Mason, alleging, among other things, that:

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

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

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

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

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

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

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

5 WHEREAS, pursuant to NRS 645E.300 and 645B.060, the Division is charged with
6 conducting "...such investigations as may be necessary to determine whether any person has
7 violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of
8 the Commissioner." See, NRS 645E.300(2)(c) and NRS 645B.060(2)(c);

9
10 WHEREAS, pursuant to NRS 645E.300 and NRS 645B.060, the Division is further
11 charged with conducting "...such other examinations, periodic or special audits, investigations
12 and hearings as may be necessary and proper for the efficient administration of the laws of this
13 State regarding mortgage bankers..." See, NRS 645B.300(2)(e) and NRS 645B.060(2)(e);

14 WHEREAS, pursuant to NRS 645B.610, if a person properly files a complaint with the
15 Division, the Division is further charged with investigation "...each violation alleged in the
16 complaint..." and the Division "...shall determine from the investigation whether there is
17 reasonable cause to believe that the person committed the alleged violation..." See,
18 NRS 645B.610(1), (3).

19
20 WHEREAS, pursuant to NRS 645E.620 and NRS 645B.620, whether or not a
21 complaint has been filed, the Division may investigate a mortgage banker, mortgage broker,
22 mortgage agent or other person if, for any reason, it appears that the mortgage banker,
23 mortgage broker, mortgage agent or other person is conducting business in violation of any
24 provision of Chapter 645E or Chapter 645B of NRS, a regulation adopted pursuant thereto or
25 an order of the Commissioner; the person is offering or providing any of the services of a
26 mortgage banker, mortgage broker or mortgage agent or otherwise engaging in, carrying on
27 or holding himself out as engaging in or carrying on the business of a mortgage banker,
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1 mortgage broker or mortgage agent without being licensed or exempt from licensing pursuant
2 to the provisions of Chapter 645E or Chapter 645B of NRS; or the person is violating any
3 other provision of Chapter 645E or Chapter 645B of NRS, a regulation adopted pursuant
4 thereto or an order of the Commissioner. See, NRS 645E.620(1)(a), (b), (c) and NRS
5 645B.620(1)(a), (b), (c).

6 WHEREAS, pursuant to NRS 645E.900 and NRS 645B.900, unless a person is exempt
7 from 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, mortgage
9 broker or mortgage agent or otherwise to engage in, carry on or hold himself out as engaging
10 in or carrying on the business of a mortgage banker, mortgage broker or mortgage agent
11 without first obtaining a license as a mortgage banker, mortgage broker or mortgage agent
12 pursuant to Chapter 645E or Chapter 645B of NRS.

14 WHEREAS, after receiving the Ross Complaint and the Wetcher/Alleva Complaint
15 regarding MDE Capital and Mason, the Division conducted an investigation of the allegations
16 in 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;

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

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

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

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

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

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

23 NOW, THEREFORE, in consideration of the representations, covenants and conditions
24 set forth herein, the PARTIES stipulate and agree as follows:

25 1. MDE Capital and Mason hereby acknowledge and agree, with full knowledge, to
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1 waive their right to have the Division file a complaint and to go to a hearing in this matter.

2 2. MDE Capital and Mason agree that the above-described actions constituted a
3 violation of NRS 645E.900 and NRS 645B.900.

4 3. In light of the Parties' desire to resolve this matter, MDE Capital and Mason
5 shall, pursuant to NRS 645E.670, NRS 645B.670 and/or NRS 622.400, pay an administrative
6 fine in the sum of Five Thousand Dollars and No Cents (\$5,000.00) to the Division. In
7 addition, the MDE Capital and Mason shall pay the sum of Four Hundred Eighty Dollars and
8 No Cents (\$480.00) to the Division for investigation costs directly related to the investigation of
9 this case. Payment, in full, to the Division of the administrative fine and investigation costs
10 from MDE Capital and Mason, who shall be jointly and severally liable, shall be made within
11 thirty (30) days of this Agreement being executed by the Commissioner of the Division.
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13 4. In light of the Parties' desire to resolve this matter, the MDE Capital and Mason
14 shall further:

15 a. Immediately cease and desist from conducting activity requiring licensure
16 pursuant to NRS Chapter 645E and NRS Chapter 645B and the regulations promulgated
17 thereto.
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19 5. MDE Capital and Mason further acknowledge and agree that in the event that
20 either MDE Capital or Mason violate any of the provisions of the Agreement, the Division shall
21 retain any and all remedies available to it in accordance with NRS Chapter 645E and NRS
22 Chapter 645B.

23 6. The Parties agree and acknowledge that this Agreement shall constitute the
24 complete and final resolution of any issues arising out of the Division's investigation into MDE
25 Capital's and Mason's conduct as specified herein.
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1 7. The Parties represent and warrant that the person executing the instant
2 Agreement on behalf of each Party has full power and authority to do so, and has the legal
3 capacity to conduct the legal obligations assigned to it hereunder.

4 8. MDE Capital and Mason further acknowledge and agree that the Division shall
5 retain the original of the Agreement.

6 9. This Agreement may be signed in counterparts and a facsimile signature shall
7 be deemed as valid as an original, however, MDE Capital and Mason shall immediately
8 forward all original signature pages to the Division.

9 10. The Agreement, as well as the rights and obligations of the Parties hereto shall
10 be interpreted, governed, and construed pursuant to the laws of the State of Nevada.

11 11. Any action to enforce the Agreement shall be brought in the Eighth Judicial
12 District Court of the State of Nevada in and for Clark County.

13 12. If the Division is successful in any action to enforce this Agreement, the court
14 may award it attorney's fees. It is specifically agreed that reasonable attorney's fees for the
15 State-employed attorneys shall be \$125 per hour.

16 13. Failure to declare a breach or the actual waiver of any particular breach of the
17 Agreement or its material terms, by either Party, shall not operate as a waiver by such Party
18 of any of its rights or remedies as to any other breach.

19 14. The MDE Capital and Mason has the right to retain an attorney to review this
20 Agreement at its sole cost and expense and has freely and voluntarily chosen not to do so.

21 15. Other than the fines and investigative costs set forth herein, each side shall pay
22 its own costs and fees, including attorney's fees.

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25 16. If any provision contained in the Agreement is held to be unenforceable by a
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1 court of law or equity, the Agreement shall be construed as if such a provision(s) did not exist
2 and the unenforceability of such provision(s) shall not be held to render any other provision(s)
3 of the Agreement unenforceable.

4 17. The Agreement constitutes the entire Agreement of the Parties, and it is
5 intended as a complete and exclusive statement of the promises, representations,
6 negotiations, and discussions of the Parties. Unless otherwise expressly authorized by its
7 terms, the Agreement shall be binding upon the Parties unless the same is in writing, signed
8 by the respective Parties hereto, and approved by the Office of the Attorney General.
9

10 18. By executing this Agreement, you hereby agree that you are waiving certain
11 rights as set forth herein. MDE Capital and Mason are specifically informed that you have the
12 right to request that the Division file an administrative complaint against you, at any hearing on
13 such a complaint you have the right to appear and be heard in your defense, either personally
14 or through your counsel of choice. If the Division were to file a complaint, at the hearing, the
15 Division would have the burden of proving the allegations in the complaint and would call
16 witnesses and present evidence against you. You would have the right to respond and to
17 present relevant evidence and argument on all issues involved. You would have the right to
18 call and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on
19 any matter relevant to the issues involved.

20 You would have the right to request that the Commissioner of the Division issue
21 subpoenas to compel witnesses to testify and/or evidence to be offered on your behalf. In
22 making this request, you may be required to demonstrate the relevance of the witness's
23 testimony and/or evidence. Other important rights you have are listed in NRS Chapter 645B
24 and NRS Chapter 233B.

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26 19. Neither this Agreement nor any statements made concerning this Agreement
27 may be discussed or introduced into evidence at the hearing of the complaint, if the Division
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1 must ultimately put on a case based upon MDE Capital's or Mason's failure to comply with the
2 terms and conditions of this Agreement.

3 20. MDE Capital and Mason understand and agree that this Agreement may be used
4 to show that past violations have occurred should any future disciplinary action be taken by
5 the Division.

6 21. In consideration of execution of this Agreement, MDE Capital and Mason for
7 itself, its owners, and their heirs, executors, administrators, successors, and assigns, hereby
8 release, remise, and forever discharge the State of Nevada, the Department of Business and
9 Industry of the State of Nevada, the Division, and each of their members, agents, attorneys
10 (including any and all employees of the Nevada Attorney General), and employees in their
11 individual and representative capacities, from any and all manner of actions, causes of action,
12 suits, debts, judgments, executions, claims, and demands whatsoever, known and unknown,
13 in law or equity, that MDE Capital and Mason ever had, now has, may have, or claim to have
14 against any or all of the persons or entities named in this section, arising out of or by reason of
15 the Division's investigation, into this matter, and all other matters relating thereto.

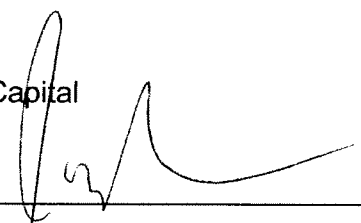
16 22. MDE Capital and Mason hereby indemnifies and holds harmless the State of
17 Nevada, the Department of Business and Industry of the State of Nevada, the Division, and
18 each of their members, agents, and employees, and employees of the Nevada Attorney
19 General in their individual and representative capacities against any and all claims, suits, and
20 actions brought against said persons and/or entities by reason of the Division's investigation
21 into this disciplinary action, this Agreement, and all other matters relating thereto, and against
22 any and all expenses, damages, and costs, including court costs and attorney fees, which
23 may be sustained by the persons and/or entities named in this section as a result of said
24 claims, suits, and actions.

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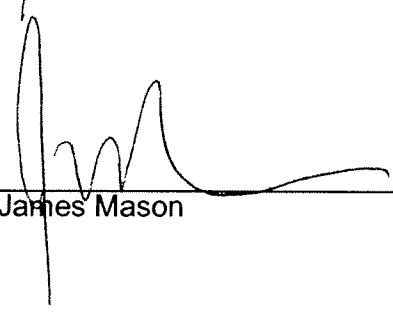
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27 IN WITNESS WHEREOF, the Parties have caused the Agreement to be signed and intend
28 to be legally bound thereby.

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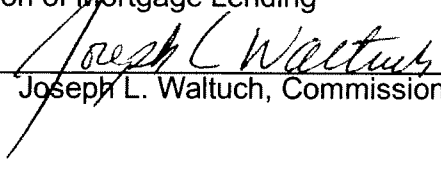
DATED this 1st ~~June~~ ^{July} day of ~~June~~ ^{July}, 2009.

MDE Capital
By: 

DATED this 1st ~~June~~ ^{July} day of ~~June~~ ^{July}, 2009.

By: 
James Mason

DATED this 2nd ~~June~~ ^{July} day of ~~June~~ ^{July}, 2009.

State of Nevada, Department of
Business and Industry,
Division of Mortgage Lending
By: 
Joseph L. Waltuch, Commissioner

CERTIFICATE OF SERVICE

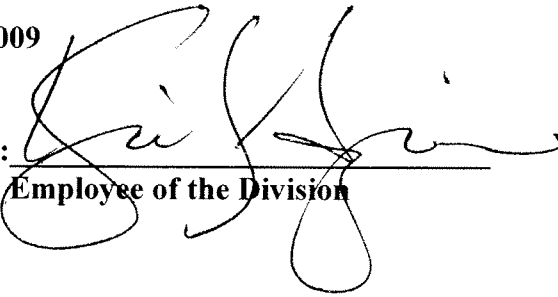
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3 **I certify that I am an employee of the State of Nevada, Department of Business and Industry,**
4 **Division of Mortgage Lending, and that on July 7, 2009, I deposited in the U.S. mail, postage**
5 **prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of**
6 **the foregoing, FULLY EXECUTED STIPULATED SETTLEMENT AGREEMENT for MDE**
7 **CAPITAL AND JAMES MASON, addressed as follows:**

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

15 **Certified Receipt Number: 7006 2760 0000 0875 9896**

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18 **DATED this 7th day of July, 2009**

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20 **By:**


21 **Employee of the Division**
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