

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

In re:
Bruce Feldman,
Respondent.

**ORDER TO CEASE AND DESIST, 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 agents, as well as mortgage broker and mortgage agent activity. See NRS 645B.060(1), NRS 645B.670 and NRS 645B.690. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order:

FACTUAL ALLEGATIONS

1. Based upon information and belief, and at all relevant times herein mentioned, Nevada Mortgage, Inc. (hereinafter "Nevada Mortgage") was and is a domestic corporation organized and existing under the laws of the State of Nevada since on or about January 5, 1978. Currently, Nevada Mortgage's status with the Secretary of State is "active."

2. On or about March 12, 1986, Nevada Mortgage was issued a mortgage broker license (License No. 235) pursuant to Chapter 645B of NRS. The Division currently classifies Nevada Mortgage's license as "active."

1 3. Based upon information and belief, and at all relevant times herein mentioned,
2 Realty World Luxury Homes, LLC (hereinafter "Realty World") was and is a domestic limited
3 liability company organized and existing under the laws of the State of Nevada since on or
4 about February 18, 2009. Currently, Realty World's status with the Secretary of State is
5 "active."

6 4. Based upon information and belief, Realty World has never been issued a
7 mortgage broker license by the Division pursuant to Chapter 645B of NRS.

8 5. On or about January 22, 2007, the Division issued Bruce Feldman (hereinafter
9 "Respondent") a mortgage agent license (License No. 42194) pursuant to Chapter 645B of
10 NRS.

11 6. On or about January 22, 2008, the Division cancelled Respondent's mortgage
12 agent license for failure to renew. See NRS 645B.430(1). The Division currently classifies
13 Respondent's license as "closed."

14 7. Based upon information and belief, and at all relevant times herein mentioned,
15 Respondent was and is an employee of or otherwise associated with Realty World.

16 8. Based upon information and belief, and at all relevant times herein mentioned,
17 Respondent held himself out as engaging in or carrying on the business of a mortgage broker
18 pursuant to Chapter 645B of NRS employed by, or associated with, Realty World and
19 conducted mortgage broker activity in the State of Nevada.

20 9. Respondent has never been issued a mortgage broker license by the Division
21 pursuant to Chapter 645B of NRS.

22 10. Pursuant to NRS 645B.060, the Division is charged with conducting "...an
23 annual examination of each mortgage broker doing business in this State...." See, NRS
24 645B.060(2)(d).

25 11. Pursuant to NRS 645B.060, the Division commenced a regularly scheduled
26
27
28

1 examination of Nevada Mortgage's books and records in March 2010. The examination
2 revealed, among other things, that:

3 a. Respondent unlawfully offered or provided unlicensed services of
4 a mortgage broker or otherwise engaged in, carried on, or held himself out as engaging in or
5 carrying on, the business of a mortgage broker, as evidenced by an e-mail advertisement
6 (hereinafter "March 2009 Advertisement") to Nevada Mortgage which indicated Respondent's
7 ability to broker private money loans;

8 b. In December 2009, Nevada Mortgage borrowers DS and YN
9 obtained a loan in the amount of One Hundred Twenty Thousand Dollars and No Cents
10 (\$120,000.000); and

11 c. The "Final Settlement Statement" reveals that Respondent was
12 paid a "consulting fee" in the amount of One Thousand Eight Hundred Dollars and No Cents
13 (\$1,800.00), paid from borrowers DS's and YN's funds at settlement on December 23, 2009.

14 12. In his written responses to the Division, dated April 12, 2010 and May 12, 2010,
15 respectively, Respondent admitted that he "did send the private money information out" in
16 order to "earn a consulting fee..."
17

18 13. Pursuant to NRS 645B.0127, "mortgage broker" means "a person who, directly
19 or indirectly: (a) Holds himself or herself out for hire to serve as an agent for any person in an
20 attempt to obtain a loan which will be secured by a lien on real property; (b) Holds himself or
21 herself out for hire to serve as an agent for any person who has money to lend, if the loan is
22 or will be secured by a lien on real property; (c) Holds himself or herself out as being able to
23 make loans secured by liens on real property; (d) Holds himself or herself out as being able to
24 buy or sell notes secured by liens on real property; or (e) Offers for sale in this State any
25 security which is exempt from registration under state or federal law and purports to make
26 investments in promissory notes secured by liens on real property.
27
28

1 14. Pursuant to NRS 645B.900, “[i]t is unlawful for any person to offer or provide
2 any of the services of a mortgage broker or mortgage agent or otherwise to engage in, carry
3 on or hold himself or herself out as engaging in or carrying on the business of a mortgage
4 broker or mortgage agent without first obtaining the applicable license issued pursuant to this
5 chapter, unless the person: 1. Is exempt from the provisions of this chapter; and 2. Complies
6 with the requirements for that exemption.”

7 15. Pursuant to NRS 645B.690, “[i]f a person offers or provides any of the services
8 of a mortgage broker or mortgage agent or otherwise engages in, carries on or holds himself
9 out as engaging in or carrying on the business of a mortgage broker or mortgage agent and,
10 at the time...[t]he person was required to have a license pursuant to this chapter and the
11 person did not have such a license...The Commissioner shall impose upon the person an
12 administrative fine of not more than \$50,000 for each violation and if the person has a license,
13 the Commissioner shall revoke it...” See NRS 645B.690(1)(a).

14 VIOLATIONS OF LAW

15
16 After investigating this matter, the Division determined that Respondent unlawfully
17 offered or provided unlicensed services of a mortgage broker or otherwise engaged in, carried
18 on or held himself out as engaging in or carrying on the business of a mortgage broker while
19 not being licensed by the Division pursuant to Chapter 645B of NRS.
20

21 ORDER

22 **NOW, THEREFORE, THE COMMISSIONER OF THE DIVISION HEREBY ORDERS,**
23 that based on Respondent’s unlicensed activity in violation of NRS 645B, and pursuant to
24 NRS 622.080 and NAC 645B.340, that:

25 A. Respondent immediately cease and desist from the following activities:

26 1. Conducting any and all unlicensed mortgage broker activity in the State
27 of Nevada; and
28

2. Soliciting mortgage broker business within the State of Nevada.

1
2 **IT IS FURTHER ORDERED** that, pursuant to NAC 645B.340(4) upon filing a verified
3 petition with the Division within **thirty (30) days** of receipt of this Order to Cease and Desist,
4 Respondent shall be entitled to a hearing with regard to the contents of this Order to Cease
5 and Desist. Respondent is advised, however, that the provisions of this Order to Cease and
6 Desist are effective immediately upon Respondent being served therewith, whether or not
7 Respondent requests a hearing.

8 **NOTICE TO RESPONDENT:** If you request a hearing, you are specifically informed
9 that you have the right to appear and be heard in your defense, either personally or through
10 your counsel of choice at your own expense. At the hearing, if one is timely requested, the
11 Division will call witnesses and present evidence against you. You have the right to respond
12 and to present relevant evidence and argument on all issues involved. You have the right to
13 call and examine witnesses, introduce exhibits and cross-examine opposing witnesses on
14 any matter relevant to the issues involved.

15
16 If the Division prevails at any hearing, it may request that attorney's fees and costs be
17 awarded pursuant to NRS 622.400.

18
19 **IT IS FURTHER ORDERED**, pursuant to NRS 645B.750, that upon written application to
20 the Division **within twenty (20) days** of the date of this Order, Respondent shall be entitled to a
21 hearing with regards to the contents of this Order referenced below. At that hearing the Division
22 will seek to:

23 1. Impose an administrative fine against Respondent in the amount of Five
24 Thousand Dollars and No Cents (\$5,000.00) for Respondent's violations of Chapter 645B of
25 NRS, the Division's investigative costs in the amount of Seven Hundred and Eighty Dollars and
26 No Cents (\$780.00), to date, as well as the Division's administrative costs and attorney's fees, if
27 any, incurred herein, each to be proven at the hearing or upon the filing of a proper affidavit.
28

1 The Division reserves the right to supplement its costs and attorney's fees at the hearing or
2 upon the filing of a proper affidavit; and

3 2. Require Respondent's payment, in full, of the administrative fine, investigative
4 costs, as well as the costs and fees to the Division, within thirty (30) days of entry of the Final
5 order.

6 Should Respondent request a hearing, Respondent is advised of the following:
7 Respondent is entitled to be represented by legal counsel at its own cost and expense; b) At
8 any hearing Respondent shall be entitled to respond and to present evidence and argument on
9 all issues involved; c) Requests may be made to the Commissioner for the issuance of
10 subpoenas; however, the Commissioner may request the proposed testimony of any such
11 person prior to the issuance of the subpoena; and d) Unless precluded by law, the parties may
12 agree to an informal resolution or settlement prior to any hearing.
13

14 If the Division prevails at any hearing, it may request that attorney's fees and costs be
15 awarded pursuant to NRS 622.400; the Division reserves the right to supplement these fees
16 and costs, and to prove same at the hearing or upon the filing of a proper affidavit.
17

18 **IT IS FURTHER ORDERED,**

19 Should Respondent not request a hearing within twenty (20) days of the date of this
20 Order, the Division will enter a Final Order in this matter against Respondent, as required by
21 NRS 645B.750(2).

22 Dated this 26th day of August, 2010.

23 State of Nevada
24 Department Of Business and Industry
25 Division of Mortgage Lending

26 By: Joseph L. Waltuch
27 Joseph L. Waltuch, Commissioner
28

CERTIFICATE OF SERVICE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on, August 27, 2010, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE FINE AND NOTICE OF RIGHT TO REQUEST HEARING for BRUCE FELDMAN, and addressed as follows:

**Bruce Feldman
c/o Realty World Luxury Homes
5506 Fort Apache Road, Suite 110
Las Vegas, NV 89146**

Certified Receipt Number: 7008 1830 0002 7959 6816

DATED this 26th day of August, 2010

By: Sheila Garduno
Employee of the Division