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

Before the Commissioner of the Division of Mortgage Lending

In the Matter of: THE MILLENNIUM CONSULTING GROUP, INC., Covered Service Provider License No. 3286, and KEN SARNA, PRESIDENT & SOLE SHAREHOLDER, Associated Covered Service Provider License No. 46611, Respondents.	)

ORDER TO CEASE AND DESIST,
ORDER TO FILE REPORT,
AND
NOTICE OF OPPORTUNITY FOR HEARING

Issued and Entered,
This 10th day of January, 2012,
By James Westrin,
Commissioner

I.
ORDER TO CEASE AND DESIST VIOLATING NRS 645F.010 *et seq.*,
and
ORDER TO FILE REPORT

The Commissioner of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Commissioner") having been statutorily charged with the responsibility and authority to administer and enforce Chapter 645F of the Nevada Revised Statutes, NRS 645F.010 *et seq.*, and Chapter 645F of the Nevada Administrative Code, NAC 645F.001 *et seq.*, as amended by Adopted Permanent Regulation of the Commissioner of Mortgage Lending, R052-09, governing the licensing and conduct of covered service providers in the State of Nevada; and,

The Commissioner having been granted general supervisory power and control over all covered service providers doing business in the State of Nevada pursuant to NRS 645F; and "Covered Service" being defined by NRS 645F.310, to include, without limitation, as follows:

1. Financial counseling, including, without limitation, debt counseling and budget counseling.

2. Receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a mortgage or other lien on a residence in foreclosure.

3. Contacting a creditor on behalf of a homeowner.

4. Arranging or attempting to arrange for an extension of the period within which a homeowner may cure a default and reinstate an obligation pursuant to a note, mortgage or deed of trust.

5. Arranging or attempting to arrange for any delay or postponement of the time of a foreclosure sale of a residence in foreclosure.

6. Advising a homeowner regarding the filing of any document or assisting in any manner in the preparation of any document for filing with a bankruptcy court.

7. Giving any advice, explanation or instruction to a homeowner which in any manner relates to the cure of a default in or the reinstatement of an obligation secured by a mortgage or other lien on a residence, the full satisfaction of the obligation, or the postponement or avoidance of a foreclosure sale.

8. Arranging or conducting, or attempting to arrange or conduct, for a homeowner any forensic loan audit or review or other audit or review of loan documents.

9. Arranging or attempting to arrange for a homeowner the purchase by a third party of the homeowner's mortgage loan.

10. Arranging or attempting to arrange for a homeowner a reduction of the principal of the homeowner's mortgage loan when such a mortgage loan is held by or serviced by a third party.

11. Providing the services of a loan modification consultant.

12. Providing the services of a foreclosure consultant; and,

The Division having received a complaint against MILLENNIUM alleging that MILLENNIUM was engaged in activities or practices that violate NRS 645F; and,

The Division staff having commenced a full and thorough investigation of such complaint pursuant to NAC 645F.001 *et seq.*, as amended by § 63 of Adopted Permanent Regulation of the Commissioner of Mortgage Lending, R052-09, and during such investigation determined that, as a general business practice, MILLENNIUM claimed, demanded, charged, collected or received fees from homeowners prior to successfully obtaining a covered service for the homeowner; and,

The Division staff having reported the results of its investigation to the Commissioner; and,

The Commissioner having reviewed the results of the investigation and made the following FINDINGS OF FACT and CONCLUSIONS OF LAW:

Findings of Fact

1. THE MILLENNIUM CONSULTING GROUP, INC. (hereinafter, "MILLENNIUM") made application for and was granted a license by the Commissioner as an independent covered service provider licensee, License No. 3286, pursuant to provisions of NRS 645F, on December 15, 2009.

2. At all times pertinent herein, MILLENNIUM has been licensed by the Commissioner as an independent covered service provider, pursuant to provisions of NRS 645F.

3. KEN SARNA (hereinafter, "SARNA") made application for and was granted a license by the Commissioner as an associated covered service provider licensee, License No. 46611, pursuant to provisions of NRS 645F, on December 16, 2009.

4. At all times pertinent herein, SARNA has been licensed by the Commissioner as an associated covered service provider, pursuant to provisions of NRS 645F.

5. As the sole officer, director and shareholder of MILLENNIUM, SARNA controls and is responsible for the business practices of MILLENNIUM.

6. On September 6, 2011, the Division commenced an investigation of MILLENNIUM and SARNA's (hereinafter, collectively, the "RESPONDENTS") business practices. During the course of the investigation the Division determined the following:

a. RESPONDENTS are actively engaged in the business of a covered service provider. In particular, RESPONDENTS are engaged in the business of assisting homeowners with negotiating short sales and mortgage settlements with their lender or servicer.

b. In relation to its engagement to provide short sale and mortgage settlement negotiation services to a homeowners' lender, RESPONDENTS enter into a "Short Sale Fee / Retainer Agreement" (hereinafter, the "Agreement"). In this Agreement, RESPONDENTS agree to perform the following services on behalf of a homeowner:

i. Initial consultation with the homeowner.

ii. Document review.

iii. Explain all short and long term risks associated with a short sale to a homeowner.

iv. Set expectations for each homeowner's unique situation.

v. Prepare the short sale package.

vi. Work with licensed real estate professionals who will list the property for sale on the MLS in an attempt to generate offers which are reasonable based on the most recent sales in the area.

vii. Once a reasonable offer is received, package, submit, facilitate and negotiate the offer with the homeowner's current lien holder.

viii. Confirm receipt of all short sale documents with the homeowner's lender and follow up to ensure the file is progressing.

ix. Negotiate and try to minimize homeowner's financial exposure (full deficiency release not guaranteed).

c. In exchange for receiving these services, a homeowner is required to pay RESPONDENTS as follows:

i. A fee of $200.00 to be paid at the time of the consultation and execution of the Agreement.

ii. Upon RESPONDENTS receiving an approval from a homeowner's mortgage lender(s) for a short sale RESPONDENTS will seek payment from the seller of an additional $695.00 for services performed, unless the purchase agreement stipulates the fee is to be paid by another party. If such party fails to make the payment, the homeowner is responsible "to make this payment in full prior to recording the transaction."

iii. If RESPONDENTS are successful in negotiating a deficiency waiver on behalf of the homeowner, the homeowner will be required to pay RESPONDENTS an additional $1,500.00.

d. Since July 1, 2011, RESPONDENTS have entered into the above Agreement with, and or accepted a $200.00 fee (hereinafter, the "consultation fee") from, approximately 182 Nevada homeowners.

7. NRS 645F.405 provides as follows:

> A person who provides any covered service for compensation, a foreclosure consultant and a loan modification consultant shall not claim, demand, charge, collect or receive any compensation before a homeowner has executed a written agreement with the lender or servicer incorporating the offer of mortgage assistance obtained from the lender or servicer by the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant.

8. The Commissioner is authorized pursuant to NAC 645F.001 *et seq.*, as amended by § 108 of Adopted Permanent Regulation of the Commissioner of Mortgage Lending, R052-09 § 108 as follows:

1. If a person engages in an activity in violation of the provisions of this chapter or chapter 645F of NRS or an order of the Commissioner, the Commissioner may issue an order to the person directing the person to cease and desist from engaging in the activity.

2. The order to cease and desist must be in writing and must state that, in the opinion of the Commissioner, the person has engaged in an activity:

(a) For which the person has not received a license as required by this chapter or chapter 645F of NRS; or

(b) In a manner that violates the provisions of this chapter or chapter 645F of NRS or an order of the Commissioner.

9. The Commissioner is authorized pursuant to NRS 645F.291 and NRS 645F.396(3) to order a covered service provider to make a special report to the commissioner that the commissioner considers necessary for the proper supervision and enforcement of NRS 645F.

Conclusions of Law

10. RESPONDENTS' Agreement, by its explicit terms, claims, demands, and charges, compensation from a homeowner prior to homeowner having received, let alone executed, a written agreement with the lender or servicer incorporating the offer of mortgage assistance obtained from the lender or servicer by the person who performs any covered service for compensation.

11. RESPONDENTS' Agreement, by its terms, violates NRS 645F.405.

12. In connection with the Agreements, executed since July 1, 2011, that the Division reviewed, RESPONDENTS collected or received payment of a "consultation fee" prior to the homeowner having executed a written agreement with the lender or servicer incorporating the offer of mortgage assistance obtained from the lender or servicer by the person who performs any covered service for compensation.

13. RESPONDENTS collection and receipt of the payment of the "consultation fee" prior to the homeowner having executed a written agreement with the lender or servicer incorporating the offer of mortgage assistance obtained from the lender or servicer by the person who performs any covered service for compensation is a violation of NRS 645F.405.

Order

The Commissioner having formed the opinion based upon the foregoing that RESPONDENTS are engaged in activity that violates NRS 645F.405, and concluded and determined that RESPONDENTS shall be ordered to 1) cease and desist from violating NRS 645F.405 and 2) file a report with the Commissioner concerning its business.

NOW, THEREFORE, IT IS ORDERED that RESPONDENTS shall immediately CEASE AND DESIST from violating NRS 645F.405 by claiming, demanding, charging, collecting or receiving any compensation before a homeowner has executed a written agreement with the lender or servicer incorporating the offer of mortgage assistance obtained from the lender or servicer by RESPONDENTS.

IT IS FURTHER ORDERED that within five (5) calendar days of the effective date of this ORDER, RESPONDENTS shall file with the Commissioner a REPORT of its business records and activities. The REPORT shall be prepared in a spreadsheet format using Microsoft Excel. The REPORT shall, at a minimum, provide 1) the name, address, and home and mobile telephone number of each Nevada homeowner that paid RESPONDENTS an advance fee or entered into the Agreement with RESPONDENTS since July 1, 2011 to present; 2) the date(s) that RESPONDENTS had contact with the Nevada homeowner and description of the nature of such contact(s); 3) a description of the covered service that the Agreement contemplated RESPONDENTS providing to the homeowner; 3) the amount of compensation that each Nevada homeowner paid to RESPONDENTS and the date upon which it was paid; 4) whether the RESPONDENTS were successful in obtaining an offer from the homeowner's lender or servicer for a covered service; and 4) the final outcome of each Nevada homeowners' Agreement. The REPORT shall be delivered to the Division in electronic format by electronic mail to Tony Frascarelli, Chief Compliance Investigator at tfrascarelli@mld.nv.gov.

IT IS FURTHER ORDERED that an administrative hearing shall be scheduled in this matter only if RESPONDENTS timely request an administrative hearing in accordance with the instructions set forth in Section II of this ORDER entitled Notice of Opportunity for an Administrative Hearing. If no administrative hearing is requested within 20 calendar days of the effective date of this ORDER, RESPONDENTS' right to an administrative hearing shall be deemed waived and relinquished.

IT IS FURTHER ORDERED that this Order shall be and is effective and enforceable on the date that it is issued and entered, as shown in the caption hereof.

IT IS FURTHER ORDERED that this Order shall remain effective and enforceable until terminated, modified, set aside, or suspended in writing by the Commissioner.

IT IS FURTHER ORDERED that the Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary, and appropriate to enforce NRS 645F and protect the public.

IT IS SO ORDERED.

DIVISION OF MORTGAGE LENDING

By: James Westrin

James Westrin, Commissioner

II.

NOTICE OF OPPORTUNITY FOR AN ADMINSITRATIVE HEARING

NAC 645F.001 *et seq.*, as amended by § 108(4)-(5) of Adopted Permanent Regulation of the Commissioner of Mortgage Lending, R052-09, provides as follows:

> (4) Not later than 20 calendar days after receiving an order pursuant to this section, the person who receives the order may file a verified petition with the Commissioner to request a hearing. Upon receipt of the verified petition, the Commissioner may, for good cause shown, suspend the order pending the hearing. The Commissioner will hold the hearing on a date not later than 30 calendar days after the date the petition is filed unless the Commissioner and the person agree to another date. The order to cease and desist is rescinded if the Commissioner fails to:
>
> (a) Hold a hearing:
>
> (1) Not later than 30 calendar days after the petition is filed; or
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> (2) On a date agreed to by the Commissioner and the person; or
>
> (b) Render a written decision within 45 days after the hearing is concluded.
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> (5) The decision of the Commissioner after a hearing is a final decision of the Commissioner for the purposes of judicial review.

If you wish to exercise your right to an opportunity for an administrative hearing, within 20 calendar days after receiving this Order, you must file a verified petition with the Commissioner to request a hearing. The verified petition requesting a hearing must be delivered to:

Division of Mortgage Lending
Attn. Susan Slack
7220 Bermuda Road, Suite A
Las Vegas, Nevada 89119

If you fail to timely file a verified petition to request a hearing, your right to a hearing under Section 108(4) will be deemed waived and relinquished.

CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on January 11, 2012, 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, ORDER TO FILE REPORT, AND NOTICE AND OPPORTUNITY FOR HEARING** for **THE MILLENNIUM CONSULTING GROUP, INC. AND KEN SARNA,** addressed as follows:

The Millennium Consulting Group, Inc.
8367 W. Flamingo Road #102
Las Vegas, NV 89118

Certified Mail No. 7009 2250 0001 8859 2936

Ken Sarna
The Millennium Consulting Group, Inc.
8367 W. Flamingo Road #102
Las Vegas, NV 89118

Certified Mail No. 7009 2250 0001 8859 2806

The Millennium Consulting Group, Inc.
9480 S. Eastern Avenue #263
Las Vegas, NV 89123

Certified Mail No. 7009 2250 0001 8859 2820

Ken Sarna
The Millennium Consulting Group, Inc.
9480 S. Eastern Avenue #263
Las Vegas, NV 89123

Certified Mail No. 7009 2250 0001 8859 2837

DATED this 10th day of January, 2012.

By: Susan Slack
Susan Slack
Employee of the Division