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: DIVISION OF MORTGAGE LENDING, Petitioner, v. AVTEK MORTGAGE, LLC Mortgage Broker License No. 41, Respondent.	Order No. 2012-24

CONSENT ORDER
TO CEASE AND DESIST VIOLATING NRS 645B
AND
TO PAY ADMINISTRATIVE FINE, ATTORNEYS FEES AND COSTS

Issued and Entered,
This 23rd day of October, 2012,
By James Westrin,
Commissioner

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 645B and Chapter 645E of the Nevada Revised Statutes, NRS 645B.010 *et seq.* and NRS 645E.010 *et seq.*, and Chapter 645B and Chapter 645E of the Nevada Administrative Code, NAC 645B.001 *et seq.* and NAC 645E.010 *et seq.*, governing the licensing and conduct of mortgage agents, mortgage brokers, and mortgage bankers in the State of Nevada; and,

The Commissioner having been granted general supervisory power and control over all mortgage agents, mortgage brokers, and mortgage bankers doing business in the State of Nevada pursuant to NRS 645B and NRS 645E; and,

Avtek Mortgage, LLC ("RESPONDENT"), a domestic limited liability company organized under the laws of the State of Nevada having been licensed with the Division as mortgage broker pursuant to NRS 645B at all times relevant to this matter and, therefore, subject to the jurisdiction of the Commissioner; and,

RESPONDENT having an ownership interest of 51% held by Omar Nagy ("Nagy") and 49% held by Fiona Brady ("Brady"); and,

Brady havin g made application for and been granted a license by the Commissioner as a mortgage agent, License No. 46402, pursuant to NRS 645B, on September 21, 2009 and Brady having served as RESPONDENT'S qualified employee from September 21, 2009 until present; and,

RESPONDENT having been licensed or required to be licensed with the Division of Mortgage Lending (the "Division") as a mortgage broker pursuant to NRS 645B at all times relevant to this matter and, therefore, subject to the jurisdiction of the Commissioner; and,

On April 14, 2011, the Division conducted an examination on Sahara Mortgage Corporation ("Sahara"), a domestic corporation organized under the laws of the State of Nevada, licensed with the Division as a mortgage banker pursuant to NRS 645E and therefore, subject to the jurisdiction of the Commissioner; and,

The Division's examination having revealed the following:

1. Contrary to the requirements of NRS 645B.460, RESPONDENT failed to exercise adequate supervision and control over its qualified employee, Brady, and its mortgage agents. Namely, during the examination it was discovered that RESPONDENT'S qualified employee, Brady, from a period beginning on or about September 1, 2010 and continuing until at least June 2, 2011, was employed by and provided mortgage agent services to and on behalf of Sahara. During this same period, and contrary to the prohibition against a mortgage agent being employed by more than one mortgage broker or banker at a time set forth in NRS 645B.450(1), Brady continued to be employed by and serve as the qualified employee for RESPONDENT.

2. In further demonstration of RESPONDENT'S lack of adequate supervision and control over its qualified employee and mortgage agents, the examination and subsequent communications with

RESPONDENT revealed that, although the majority shareholder and control person of RESPONDENT, Nagy exercised minimal control or supervision of the RESPONDENT and entrusted the day to day and overall business operation to Brady. RESPONDENT failed to implement or enforce policies, such as quarterly management review, pre- and post-closing compliance audits, financial and accounting reviews, or office visits, etc., to ensure that the business is being operated in compliance with applicable law and in accordance with appropriate policies and procedures.

3. Contrary to the requirements of NRS 645B.085, RESPONDENT failed to timely submit its annual financial statement for fiscal years 2008 through 2011.

RESPONDENT having been (1) served on or about June 30, 2011 and August 1, 2011, with a notice of facts or conduct which warrant disciplinary action and (2) given an opportunity to show compliance with all lawful requirements for the retention of the license, in accordance with NRS 233B.127(3); and,

The Commissioner having, based upon those findings, served upon RESPONDENT on or about August 29, 2011, an Order to Cease and Desist, Notice of Intent to Revoke Mortgage Broker License, Notice of Intent to Revoke Mortgage Agent License, Notice of Intent to Impose Fine, and Notice of Right to Request Hearing (hereinafter, the "Order"); and,

RESPONDENT and Nagy having, thereafter, submitted additional information to the Division concerning this matter and expressed a desire to cooperate with the Division, after formally contesting the allegations, and to avoid the time and expense involved in a formal administrative enforcement hearing; and,

The Division and RESPONDENT having conferred concerning this matter and determined to resolve this matter pursuant to the following terms:

1. RESPONDENT agrees to CEASE AND DESIST from any violation of NRS 645B, as set forth above;

2. RESPONDENT agrees that Brady must divest herself of any ownership interest in RESPONDENT and RESPONDENT shall provide evidence of such divestiture to the Division within forty five (45) days upon the entry of this order;

3. RESPONDENT agrees to hire a new Qualified Employee within 45 days of the date of this order;

4. RESPONDENT and NAGY agree to develop and implement a program to monitor and assure compliance with all state and federal laws and regulations pertaining to originating, brokering, closing, and servicing mortgage loans, as applicable to RESPONDENT'S business. The program shall include:

a. The development of a comprehensive Employee Procedures Manual clearly delineating the mortgage loan process and all statutes, ordinances, rules, and regulations that govern the activity of RESPONDENT'S employees.

b. The designation of a compliance officer, who can also be the qualified employee, to conduct reviews, not less than quarterly, of a sample of RESPONDENT'S closed loans, and denied and rejected loan applications and assure compliance with all state and federal laws. RESPONDENT shall maintain written reports of the results of its file reviews. The written reports shall be maintained in accordance with NAC 645B.077 and shall be available to Commissioner for review and examination.

5. RESPONDENT must file all financials, renewals, and monthly activity reports timely.

6. Nagy agrees to maintain an active role in RESPONDENT'S business transactions, ensure that RESPONDENT is appropriately managed and that its qualified employees and mortgage agents are being properly supervised and controlled.

7. RESPONDENT agrees to pay to the Division, in accordance with NRS 645B.670(2)(o) and NRS 645B.670(2)(q) an Administrative Fine in the amount of Five Thousand Dollars and No Cents ($5,000.00) and shall be made in four (4) installments as follows:

a. Upon the entry of this order RESPONDENT shall pay Two Thousand Dollars and No Cents ($2,000.00);

b. The remaining Three Thousand Dollars and No Cents ($3,000.00) shall be paid in three (3) equal monthly installments in the amount of One Thousand Dollars and No Cents ($1,000.00) each;

c. The first installment shall be due on January 15, 2013;

d. The second installment shall be due on February 15, 2013;

e. The final installment shall be due on March 15, 2013;

In consideration of the Division's agreement to the above payment terms, RESPONDENT agrees that if RESPONDENT fails to timely comply with the payment terms, and does not demonstrate compliance at an information opportunity to show compliance conference offered to RESPONDENT in accordance with NRS 233B.127, RESPONDENT voluntarily agrees to consent to the revocation of its license and knowingly and voluntarily agree to waive and relinquish any right it may now or hereafter have to: 1) an administrative hearing to contest the revocation of RESPONDENT'S license for failure to comply with the terms of this order; 2) to judicial review of this order or a subsequent order revoking RESPONDENT'S license for failure to comply with the terms of this order; and 3) to otherwise challenge or contest in any manner or matter the basis, issuance, validity, effectiveness, or enforceability of this order or a subsequent order revoking RESPONDENT'S license for failure to comply with the terms of this order.

8. RESPONDENT agrees to pay to the Division, in accordance with NRS 622.400 and upon the entry of this order, the Division's investigatory and other costs in the amount of Three Hundred Dollars and No Cents ($300.00);

9. RESPONDENT agrees to pay to the Division the Division's Attorney Fees, in accordance with NRS 622.400 and upon the entry of this order, in the amount of Three Hundred Dollars and No Cents ($300.00);

10. RESPONDENT agrees to promptly and thoroughly respond to any request from the Division for documents, testimony, or other requests for information related to any matter implied herein and to provide complete and truthful testimony related thereto; and,

RESPONDENT, through NAGY, having knowingly and voluntarily affixed its signatures to the attached VOLUNTARY CONSENT TO ENTRY OF CONSENT ORDER, incorporated herein by this reference, has consented to the issuance of this CONSENT ORDER TO CEASE AND DESIST VIOLATING NRS 645B AND TO PAY ADMINISTRATIVE FINE, ATTORNEY FEES AND COSTS (the "Order") with the intent to be legally bound hereby, and has waived and relinquished any

and all rights that RESPONDENT may now or hereafter have to an administrative hearing in this matter or to judicial review of, or otherwise challenge or contest, the entry of this Order; and,

RESPONDENT having had opportunity to consult with legal counsel of its choosing concerning this matter; and,

The Commissioner having determined that the terms of this ORDER are a reasonable resolution of this matter and in the public interest.

NOW, THERFORE, IT IS HEREBY ORDERED that:

1. RESPONDENT shall CEASE AND DESIST from violating NRS 645B.

2. RESPONDENT agrees that Brady shall divest herself of any ownership interest in RESPONDENT and RESPONDENT shall provide evidence of such divestiture to the Division within forty-five (45) days of the entry of this order.

3. RESPONDENT shall hire a new Qualified Employee within forty-five (45) days of the entry of this order.

4. RESPONDENT and Nagy shall develop and implement a program to monitor and assure compliance with all state and federal laws and regulations pertaining to originating, brokering, closing, and servicing mortgage loans, as applicable to RESPONDENT'S business. The program will include:

a. The development of a comprehensive Employee Procedures Manual clearly delineating the mortgage loan process and all statutes, ordinances, rules, and regulations that govern the activity of RESPONDENT'S employees.

b. The designation of a compliance officer, who can also be the qualified employee, to conduct reviews, not less than quarterly, of a sample of RESPONDENT'S closed loans, and denied and rejected loan applications and assure compliance with all state and federal laws. RESPONDENT shall maintain written reports of the results of its file reviews. The written reports shall be maintained in accordance with NAC 645B.077 and shall be available to commissioner for review and examination.

5. RESPONDENT shall file all financials, renewals, and monthly activity reports timely.

6. NAGY shall maintain an active role in RESPONDENT'S business transactions and ensure that RESPONDENT is properly managed and that its qualified employees and mortgage agents are being properly supervised and controlled.

7. RESPONDENT shall pay to the Division, in accordance with NRS 645B.670(2)(o) and NRS 645B.670(2)(q) an Administrative Fine in the amount of Five Thousand Dollars and No Cents ($5,000.00). It is agreed that the Administrative Fine shall be made in four (4) installments as follows:

a. Upon the entry of this order RESPONDENT shall pay Two Thousand Dollars and No Cents ($2,000.00);

b. The remaining Three Thousand Dollars and No Cents ($3,000.00) shall be paid in three (3) equal monthly installments in the amount of One Thousand Dollars and No Cents ($1,000.00) each;

c. The first installment shall be paid on January 15, 2013;

d. The second installment shall be paid on February 15, 2013;

e. The final installment shall be paid on March 15, 2013;

8. RESPONDENT shall pay to the Division, upon the entry of this order, the Division's investigatory and other costs an amount of Three Hundred Dollars and No Cents ($300.00).

9. RESPONDENT shall pay to the Division, upon the entry of this order, the Division's attorneys frees an amount of Three Hundred Fifty Dollars and No Cents ($300.00).

10. RESPONDENT shall promptly respond to any request from the Division for documents, testimony, or other requests for information related to any matter implied herein and to voluntarily provide complete and truthful testimony related thereto.

11. This Order shall be and is effective and enforceable on the date that it is issued, as shown in the caption hereof.

12. This Order shall remain effective and enforceable until terminated, modified, set aside, or suspended in writing by the Commissioner.

13. 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 the provisions of NRS 645B.010 et seq. and protect the public.

IT IS SO ORDERED.

DIVISION OF MORTGAGE LENDING

By: James Westrin
JAMES WESTRIN, COMMISSIONER

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: DIVISION OF MORTGAGE LENDING, Petitioner, v. AVTEK MORTGAGE, LLC Mortgage Broker License No. 41, Respondent.	)

VOLUNTARY CONSENT TO ENTRY OF
COMMISSIONER'S ORDER

By affixing my signature hereto, I, OMAR NAGY, hereby knowingly and voluntarily, with the intent to be legally bound myself and to legally bind AVTEK MORTGAGE, LLC thereby, consent to the attached Commissioner's ORDER TO CEASE AND DESIST VIOLATING NRS 645B AND TO PAY ATTORNEY FINES AND ADMINISTRATIVE COSTS (the "ORDER") in this matter, and further, in consideration of the terms and conditions set forth therein:

1. I acknowledge that I have had the opportunity to retain an attorney to review this VOLUNTARY CONSENT and the attached ORDER.

2. I knowingly and voluntarily waive the right to an administrative hearing in this matter.

3. I knowingly and voluntarily waive and give up any and all right that I may now or hereafter have to administrative or judicial review concerning, or to otherwise challenge, the entry of the attached ORDER.

4. I have been served with a notice of facts or conduct which warrant disciplinary action and was given an opportunity to show compliance with all lawful requirements for the retention of the license, in accordance with NRS 645B, NRS 233B, and NRS 622A.

5. I agree to fully comply with each and every provision of the attached ORDER.

6. I understand that if I fail to fully comply with each and every provision of the attached ORDER, the Commissioner retains jurisdiction to issue such further order(s) as he may deem just, necessary and appropriate in accordance with NRS 645B.

7. The parties represent and warrant that the persons executing this Agreement on behalf of each party have full power and authority to do so, and have the legal capacity to conduct the legal obligations assigned to it hereunder.

8. I, my heirs, executors, administrators, successors, and assigns, hereby releases, remises, and forever discharges the State of Nevada, the Department of Business and Industry of the State of Nevada, the Division, and each of their members, agents, attorneys (including any and all employees of the Nevada Attorney General), and employees in their individual and representative capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have, or claim to have against any or all of the persons or entities named in this section, arising out of or by reason of the Division's examination of the Respondent, and all other matters relating thereto.

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9. I hereby indemnify and hold harmless the State of Nevada, the Department of Business and Industry of the State of Nevada, the Division, and each of their members, agents, and employees, and employees of the Nevada Attorney General in their individual and representative capacities against any and all claims, suits, and actions brought against said persons and/or entities by reason of the Division's examination of Sahara, this Agreement, and all other matters relating thereto, and against any and all expenses, damages, and costs, including court costs and attorney fees, which may be sustained by the persons and/or entities named in this section as a result of said claims, suits, and actions.

10/23/12
Dated

OMAR NAGY in an individual capacity
and on behalf of: AVTEK MORTGAGE, LLC

Subscribed and sworn to before me on this 23rd day of October, 2012

NOTARY PUBLIC
STATE OF NEVADA
County of Clark
MARLENE ANN GIRON
Appt. No. 93-0386-1
My Appt. Expires November 8, 2012

Marlene Ann Giron
Notary Public
In and for the county of Clark, Nevada

My commission expires 11-8-12

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 October 3rd, 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, CONSENT ORDER TO CEASE AND DESIST VIOLATING NRS 645B AND TO PAY ADMINISTRATIVE FINE, ATTORNEYS FEES AND COSTS and the VOLUNTARY CONSENT TO ENTRY OF COMMISSIONER'S ORDER, for AVTEK MORTGAGE, LLC, addressed as follows:

Omar Nagy
952 Baronet Drive
Las Vegas, NV 89138

Certified Receipt Number: 7009 2250 0001 8861 1309

DATED this 2nd day of October, 2012

By: Susan Slack
Employee of the Division

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, October 24th, 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, CONSENT ORDER TO CEASE AND DESIST VIOLATING NRS 645B AND TO PAY ADMINISTRATIVE FINE, ATTORNEYS FEES AND COSTS AND VOLUNTARY CONSENT TO ENTRY OF COMMISSIONER'S ORDER for AVTEK MORTGAGE, LLC, addressed as follows:

Omar Nagy
952 Baronet Drive
Las Vegas, NV 89138

Certified Receipt Number: 7009 2250 0001 8861 1477

DATED this 23rd day of October, 2012

By: Susan Slack
Employee of the Division