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: SCOTT ALLAN F/K/A SCOTT KAROSA, Mortgage Agent License No. 46760, NMLS ID No. 281371, Respondent.	)	Case No.: 2014-112 Order No.: 2014-112

CONSENT ORDER
IMPOSING AN ADMINISTRATIVE FINE,
AND REQUIRING COMPLIANCE AND CORRECTIVE ACTION AND
PAYMENT OF ADMINISTRATIVE COSTS

Issued and Entered,
This 29th day of July, 2014,
By James Westrin,
Commissioner

The Commissioner of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Commissioner") is statutorily charged with the responsibility and authority to administer and enforce Chapter 645B of the Nevada Revised Statutes, NRS 645B.010 *et seq.*, (the "Act"), and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 *et seq.*, (the "Regulation"), governing the licensing and conduct of mortgage brokers and mortgage agents in the State of Nevada; and,

The Commissioner is granted general supervisory power and control over mortgage brokers and mortgage agents doing business in the State of Nevada pursuant to the Act; and,

SCOTT ALLAN F/K/A SCOTT KAROSA ("RESPONDENT") made application for and was granted a mortgage agent license by the Commissioner, MLD License No. 46760, pursuant to provisions of the Act, on December 3, 2009. RESPONDENT'S Unique NMLS Identification Number

is 28371. RESPONDENT has held this license at all times relevant to this matter and is, therefore, subject to the jurisdiction of the Commissioner; and,

A mortgage agent license expires each year on December 31st unless it is properly renewed in accordance with the requirements set forth in NRS 645B.430.1; and,

On December 30, 2013, RESPONDENT submitted an application to renew his mortgage agent license for the 2014 licensing year and the renewal was then granted based upon RESPONDENT'S representation in his renewal application; and,

The Division received information subsequent to RESPONDENT'S submission of his December 30, 2013 renewal application concerning the accuracy of RESPONDENT'S Renewal. The Division commenced an investigation, and from that investigation determined the following:

1. RESPONDENT is currently the Owner/CEO of All American Home Mortgage, LLC ("All American"), a Nevada licensed mortgage broker (MLD No. 255 / NMLS ID 274320) and serves as the qualified employee working at its office located in Henderson, Nevada.

2. On or about December 30, 2013, RESPONDENT submitted his renewal application (the "Application") to the Commissioner, through the Nationwide Mortgage Licensing System & Registry ("NMLS"). In connection with RESPONDENT'S Application, RESPONDENT submitted an "Attestation" swearing or affirming that all of the information in RESPONDENT'S record in the NMLS was "true, accurate and complete". RESPONDENT further acknowledged that he has a "duty and agree[s] to expediently update and correct the information as it changes."

3. RESPONDENT'S Application contained a false statement of material fact in his response to Question Nos. (K)(2), (K)(3), (K)(4), (K)(6), (K)(7) and (K)(9). Specifically, RESPONDENT answered in the negative to the following disclosure questions:

> *(K) Has any state or federal regulatory agency or foreign financial regulatory or self-regulatory organization (SRO) ever:*
>
> * * *
>
> *(2) found you to have been involved in a violation of a financial services-related business regulation(s) or statute(s)?*

(3) found you to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?

(4) entered an order against you in connection with a financial services-related activity?

* * *

(6) denied or suspended your registration or license or application for licensure, disciplined you, or otherwise by order, prevented you from association with a financial services-related business or restricted your activities?

(7) barred you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business?

* * *

(9) entered an order concerning you in connection with any license or registration?

4. RESPONDENT'S answer to the above questions should have been in the affirmative because, on or about February 13, 2013, RESPONDENT entered into a Letter of Acceptance, Waiver and Consent ("AWC") with the Financial Industry Regulatory Authority ("FINRA") (AWC No. 2011030662001) which, among other things, imposed upon RESPONDENT a fine in the amount of $5,000.00 and a two-year suspension from associating with any FINRA member in any capacity.

5. The AWC was issued approximately ten months prior to RESPONDENT submitting his Application on December 30, 2013, in which he swore and affirmed that all of the information contained in his Application was "true, accurate and complete."

6. Following inquiry from the Division's office, on or about February 4, 2014, RESPONDENT changed his disclosure responses. However, in connection with the February 4, 2014 changes, RESPONDENT failed to correct his Attestation and submitted an explanation that failed to fully and accurately disclose the factual basis for the AWC.

7. RESPONDENT'S false statements and misrepresentations in the Application and subsequent disclosure is a violation of NRS 645B.410.3(b)(3) and (5) and NRS 645B.670.1(c)(4).

On May 2, 2014, in accordance with NRS 233B.127(3), RESPONDENT was served with (1) an proposed administrative complaint providing notice of facts or conduct which warrant disciplinary action and (2) notice that, prior to the commencement of formal disciplinary action, he was entitled to an opportunity to show compliance with all lawful requirements for the retention of the license (the "NOSC"); and,

In response to the NOSC, RESPONDENT notified the Division of his desire to exercise his right to an informal meeting to demonstrate compliance and further discuss this matter; and,

On June 11, 2014, an informal conference was held at the Division's office between RESPONDENT and Staff to discuss the findings of the Investigation. At the meeting RESPONDENT acknowledged his failure to disclose the FINRA action in his renewal application submitted on or about December 30, 2013; and,

Based upon those discussions, and to avoid the time and expense of a protracted evidentiary hearing, the Division and RESPONDENT have agreed and determined to resolve this matter pursuant to the following terms:

1. RESPONDENT agrees to henceforth CEASE AND DESIST from any violations of NRS Chapter 645B. RESPONDENT further acknowledges that it is his responsibility to ensure that all records, reports and applications submitted to the Division are true and accurate and further agrees to personally review and confirm that all information contained in any records, reports or applications directly or indirectly submitted to the Division for or by RESPONDENT personally or on behalf of his company, All American, are true and accurate;

2. RESPONDENT agrees, now and all times hereafter, that, within five (5) business days of the occurrence of any event that would cause any information on file with the Division or contained in his NMLS record to change, he will (1) provide written notification to the Division of such change and (2) update his record in NMLS and (3) submit all relevant information and documentation related thereto;

3. RESPONDENT agrees, now and at all times hereafter, to fully cooperate and thoroughly respond to any request from the Division for information or records confirming compliance with this order;

4. RESPONDENT agrees to pay to the Division an ADMINISTRATIVE FINE in the amount of Seven Thousand Five Hundred Dollars and No Cents ($7,500.00), pursuant to NRS 645B.670.1(a). The ADMINSTRATIVE FINE shall be paid in five installments according to the following terms:

a. Upon the entry of this order, RESPONDENT agrees to make an initial payment in the amount of $1,500.00;

b. A second payment in the amount of $1,500.00 shall be tendered on or before July 31, 2014.

c. A third payment in the amount of $1,500.00 shall be tendered on or before August 29, 2014.

d. A fourth payment in the amount of $1,500.00 shall be tendered on or before September 30, 2014.

e. A fifth and final payment in the amount of $1,500.00 shall be tendered on or before October 31, 2014.

All payments shall be tendered to the Division in the form of a certified check payable to the Division of Mortgage Lending. No grace period is permitted. Any installment payment not actually received by the Division on or before its due date shall be construed as an event of default by RESPONDENT.

5. In the event of default, RESPONDENT agrees that his license shall be immediately suspended, the unpaid balance of the administrative fine shall become immediately accelerated, and the unpaid balance, together with any attorney's fees and costs that may have been assessed, shall be due in full to the Division within thirty calendar days of the date of default. RESPONDENT agrees that the suspension of his license shall continue until the unpaid balance is paid in full, except that if RESPONDENT fails to pay the unpaid balance, together with any attorney's fees and costs that may have been assessed, in full to the Division within thirty calendar days of the date of default, RESPONDENT agrees that the revocation of his license will occur at the full discretion of the Commissioner. RESPONDENT will continue to be required to pay the unpaid balance in full even in the event of the suspension and/or revocation of his license. Further, debt collection actions for unpaid monetary assessments in this case may be instituted by the Division.

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 informal opportunity to show compliance conference offered to RESPONDENT in accordance with NRS 233B.127, RESPONDENT voluntarily agrees to consent to the revocation of his license and knowingly and voluntarily agrees to waive and relinquish any right he 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.

6. RESPONDENT agrees to pay to the Division, in accordance with NRS 622.400 and upon the entry of this order, the Division's ADMINISTRATIVE COSTS in the amount of Four Hundred Twenty Dollars and No Cents ($420.00).

7. RESPONDENT understands and agrees that failure to strictly comply with each and every provision of this consent order is a violation of NRS 645B.670.1(b)(3) and is grounds for any discipline authorized under NRS 645B; and,

RESPONDENT, having knowingly and voluntarily affixed his signature to the attached VOLUNTARY CONSENT TO ENTRY OF CONSENT ORDER, incorporated herein by this reference, has consented to the issuance of this CONSENT ORDER IMPOSING AN ADMINISTRATIVE FINE, AND REQUIRING COMPLIANCE AND CORRECTIVE ACTION AND PAYMENT OF ADMINISTRATIVE COSTS (the "Order") with the intent to be legally bound hereby, and having 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 his 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, THEREFORE, IT IS HEREBY ORDERED that:

1. RESPONDENT shall immediately CEASE AND DESIST from any and all violations of NRS Chapter 645B.

2. RESPONDENT shall, from this day forward, ensure that all records, reports and applications submitted to the Division are true and accurate and personally review and confirm that all information contained in any records, reports or applications directly or indirectly submitted to the Division for or by RESPONDENT personally or on behalf of his company, All American, are true and accurate.

3. RESPONDENT shall, within five (5) business days of the occurrence of any event that would cause any information on file with the Division or contained in his NMLS record to change, (1) provide written notification to the Division of such change and (2) update his record in NMLS and (3) submit all relevant information and documentation related thereto.

4. RESPONDENT shall fully cooperate and thoroughly respond to any request from the Division for information or records confirming compliance with this order.

5. RESPONDENT shall pay to the Division an ADMINISTRATIVE FINE in the amount of Seven Thousand Five Hundred Dollars and No Cents ($7,500.00), pursuant to the following terms and subject to the agreed upon conditions set forth above:

a. Upon the entry of this order, RESPONDENT agrees to make an initial payment in the amount of $1,500.00;

b. A second payment in the amount of $1,500.00 shall be tendered on or before July 31, 2014.

c. A third payment in the amount of $1,500.00 shall be tendered on or before August 29, 2014.

d. A fourth payment in the amount of $1,500.00 shall be tendered on or before September 30, 2014.

e. A fifth and final payment in the amount of $1,500.00 shall be tendered on or before October 31, 2014.

All payments shall be tendered to the Division in the form of a certified check payable to the Division of Mortgage Lending.

6. RESPONDENT shall pay to the Division ADMINISTRATIVE COSTS in the amount of Four Hundred Twenty Dollars and No Cents ($420.00). The ADMINSITRATIVE COSTS shall be due and payable upon the entry of this Order and shall be tendered in the form of a certified check payable to the Division of Mortgage Lending.

7. The failure of RESPONDENT to strictly comply with each and every provision of this Order shall be and is a violation of NRS 645B.670.1(b)(3) and shall be and is grounds for the imposition of any and all discipline authorized under NRS 645B.

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

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

10. 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

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, July 30th, 2014, 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 IMPOSING AN ADMINISTRATIVE FINE, AND REQUIRING COMPLIANCE AND CORRECTIVE ACTION AND PAYMENT OF ADMINISTRATIVE COSTS AND VOLUNTARY CONSENT TO ENTRY OF COMMISSIONER'S ORDER in the matter of SCOTT ALLAN F/K/A SCOTT KAROSA, addressed as follows:

Scott Allan
91 Arthur Hills Court
Henderson, NV 89074

Certified Receipt Number: 7009 2250 0001 8859 4558

Scott Allan
9065 South Pecos Road, Suite 200
Henderson, NV 89074

Certified Receipt Number: 7009 2250 0001 8859 4541

DATED this 29th day of July, 2014

By: Susan Slack
Employee of the Division