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

Before the Commissioner of the Division of Mortgage Lending

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| In the Matter of:<br><br>DIVISION OF MORTGAGE LENDING,<br>Petitioner,<br><br>v.<br><br>PINNACLE LENDING GROUP, INC.<br>Mortgage Broker License No. 2306,<br><br>and<br><br>ROBERT ALLAN RINK, JR., Sole Officer, Sole Shareholder, and Qualified Employee,<br>Mortgage Agent License No. 22339,<br>Respondents. | Order No. 2015-015<br>Case No. 2014-006 |

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

Issued and Entered,
This 10th day of February, 2016,
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 of the Nevada Revised Statutes, NRS 645B.010 *et seq.* ("NRS 645B" or the "Act"), and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 *et seq.* ("NAC 645B" or the "Regulation"), governing the licensing and conduct of mortgage agents and mortgage brokers in the State of Nevada; and,

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

PINNACLE LENDING GROUP, INC. ("PINNACLE"), having made application for and been granted a license by the Commissioner as a mortgage broker, License No. 2306, pursuant to the provisions of NRS 645B, on March 8, 2006, to engage in the activity of a mortgage broker from its office located at 5439 S. Durango Drive, Suite 200, Las Vegas, Nevada; and,

PINNACLE'S sole officer, sole shareholder, and qualified employee, ROBERT ALLAN RINK, JR., ("RINK"), having made application for and been granted a license by the Commissioner as a mortgage agent, License No. 22339, pursuant to the provisions of NRS 645B on December 23, 2003; and,

At all times relevant to this matter, PINNACLE and RINK (collectively the "RESPONDENTS") having been licensed with the Division of Mortgage Lending ("Division") pursuant to NRS 645B and, therefore, subject to the jurisdiction of the Commissioner; and,

On or about June 17, 2013, the Division, having received a complaint against PINNACLE alleging violations of the Act, and Division Staff commenced an investigation; and,

The Division Staff having, thereafter, from that investigation determined that RESPONDENTS had engaged in conduct and activity that violates the Act. Specifically, the investigation revealed the following:

1. The RESPONDENTS utilized a separate business entity, RAR LIMITED, LLC ("RAR"), to provide to REPONDENTS what RESPONDENTS initially described as "marketing services." RAR is a domestic limited liability company formed by RINK in 1994;

2. RESPONDENT'S business entity RAR transitioned from an entity providing marketing services into a loan processing company unlawfully employing independent-contractor loan processors without the requisite mortgage agent license under the Act;

3. RESPONDENTS provided contradictory explanations concerning the employment relationships between, PLG and unlicensed entity RAR; and

4. RESPONDENTS unlawfully utilized unlicensed entity RAR as the source of compensation paid to individuals hired as loan assistants, paid as Form-1099 independent contractors,

and only after commencement of the Division's investigation discontinuing its "relationship" with RAR, and re-defining such persons as "loan processors" deemed as "employees" whose wages would be paid as reflected on W-2 forms; and

That based upon the foregoing, the Division thereby concluding that PLG committed violations of NRS 645B.670(1)(b)(2); NRS 645B.670(1)(b)(3); NRS 645B.670(1)(b)(7); NRS 645B.670(1)(b)(15); NRS 645B.670(1)(b)(22)(I); NRS 645B.400; NRS 645B.900; and NAC 645B.300(3)(b); and that RINK committed violations of NRS 645B.670(1)(c)(1); NRS 645B.670(1)(c)(4); NRS 645B.670(1)(c)(8): NRS 645B.400; NRS 645B.900: and NAC 645B.300(3)(b).

On or about December 16, 2014, in accordance with NRS 233B.127(3), RESPONDENTS were served with a Notice of Opportunity to Show Compliance and Proposed Administrative Complaint which included: (1) notice of facts or conduct which, if true, warrant formal disciplinary action against RESPONDENT'S mortgage broker license, including revocation of such license, and (2) notice of RESPONDENT'S opportunity to show compliance with all lawful requirements for the retention of their mortgage broker's license.

RESPONDENT'S availed themselves of their opportunity to show compliance at an information conference held at the Division's office On February 5, 2015. RESPONDENTS acknowledged the violations, but represented corrective measures have been implemented.

That RESPONDENTS and the Division conferred concerning this matter and determined to resolve this matter this pursuant to the following terms:

1. RESPONDENTS agree to CEASE AND DESIST from any and all violations of NRS/NAC Chapters 645B;

2. RESPONDENTS agree to pay to the Division an ADMINISTRATIVE FINE in the amount of $50,000.00. The Administrative Fine shall be paid as follows:

a. Upon RESPONDENTS' execution of the attached Voluntary Consent to Entry of Consent Order, RESPONDENTS shall pay to the Division half of the ADMINISTRATIVE FINE, in the amount of $25,000.00, in accordance with the enclosed wiring instructions.

b. The collection of the remaining ADMINISTRATIVE FINE, in the amount of $25,000.00, will be deferred for period of one year beginning with RESPONDENTS execution of the attached Voluntary Consent to Entry of Consent Order (the "deferment period"). If, during the deferment period, RESPONDENTS fully comply with all terms of this Order, the remaining ADMINISTRATIVE FINE, in the amount of $25,000, will be waived and rescinded.

3. RESPONDENTS agree to pay to the Division the Division's ADMINISTRATIVE COSTS in the total amount of $4,908.00;

4. RESPONDENTS and the Division agree that other than as may be required to enforce the provisions of this Order, or in the event RESPONDENTS are charged by the Division with subsequent violations of NRS 645B, neither this Order, nor any provision contained herein, shall be admissible in any subsequent administrative or legal proceeding between the parties hereto; and,

RESPONDENTS having knowingly and voluntarily affixed the signature of RINK to the attached VOLUNTARY CONSENT TO ENTRY OF CONSENT ORDER, incorporated herein by this reference, have consented to the issuance of this CONSENT ORDER TO CEASE AND DESIST VIOLATING NRS/NAC 645B AND TO PAY ADMINISTRATIVE FINE AND COSTS (the "Order") with the intent to be legally bound hereby, and has waived and relinquished any and all rights that RESPONDENTS may now or hereafter have to be served with a notice of charges and an administrative hearing in this matter or to judicial review of, or otherwise challenge or contest, the entry of this Order; and,

RESPONDENTS, having had opportunity to consult with legal counsel of their 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. RESPONDENTS shall CEASE AND DESIST from any and all violations of NRS/NAC Chapters 645B Act and Regulation.

2. RESPONDENTS agree to pay to the Division an ADMINISTRATIVE FINE in the total amount of $50,000.00. The Administrative Fine shall be paid as follows:

a. Upon RESPONDENTS' execution of the attached Voluntary Consent to Entry of Consent Order, RESPONDENTS shall pay to the Division half of the ADMINISTRATIVE FINE, in the amount of $25,000.00, in accordance with the enclosed wiring instructions.

b. The collection of the remaining ADMINISTRATIVE FINE, in the amount of $25,000.00, will be deferred for period of one year beginning with RESPONDENTS execution of the attached Voluntary Consent (the "deferment period"). If, during the deferment period, RESPONDENTS fully comply with all terms of this Order, the remaining ADMINISTRATIVE FINE, in the amount of $25,000, will be waived and rescinded.

3. RESPONDENTS agree to pay to the Division, upon the entry of this order, the Division's ADMINISTRATIVE COSTS in the total amount of $4,908.00. The ADMINISTRATIVE COSTS shall be and are due upon RINK'S execution of the attached Voluntary Consent to Entry of Consent Order and shall be tendered to the Division with the ADMINISTRATIVE FINE described above in accordance with the attached wire transfer instructions.

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

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

6. 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 NAC 645B.001 *et. seq.* and protect the public.

IT IS SO ORDERED.

DIVISION OF MORTGAGE LENDING

By: _____
JAMES WESTRIN, COMMISSIONER