

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:)
)
)
JNB FINANCE, LLC,) Order No. 2016-019
Mortgage Broker License No. UNL,)
) Case No. 2016-019
and)
)
)
JOHN BOTROS,)
Managing Member & Owner,)
Mortgage Broker License No. UNL,)
)
)
Respondents.)
)

ORDER TO CEASE AND DESIST,
ORDER IMPOSING AN ADMINISTRATIVE FINE AND INVESTIGATIVE COSTS,
ORDER TO FILE REPORT,
AND
NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING

Issued and Entered,
This 18th day of August, 2016,
By Nancy Corbin,
Acting Commissioner

I.
ORDER TO CEASE AND DESIST
AND
ORDER IMPOSING AN ADMINISTRATIVE FINE AND INVESTIGATIVE COSTS

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, 645B.010 *et seq.* ("NRS 645B" or the "Statute"), 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 brokers and mortgage agents doing business in the State of Nevada; and,

1 The Commissioner having been vested with general supervisory power and control over all
2 mortgage brokers and mortgage agents doing business in the State of Nevada pursuant to NRS 645B;
3 and,

4 The Commissioner having been further vested with broad authority to conduct investigations to
5 determine whether any person is violating or has violated any provision of the Statute or the Regulation;
6 and,

7 The Division of Mortgage Lending (“Division”) having received information indicating that
8 JNB FINANCE, LLC, (“JNB”) and JOHN BOTROS (“BOTROS”) (collectively, “RESPONDENTS”)
9 were engaged in activity requiring licensure as a mortgage broker or mortgage agent under the Statute;
10 and,

11 The Division having conducted an investigation of RESPONDENTS’ business practices
12 pursuant to NRS 645B.060(2)(c), and determined, from that investigation, that RESPONDENTS were
13 engaged in activity requiring licensure as a mortgage broker under the Statute; and,

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

15 The Commissioner having reviewed the results of the investigation, makes the following
16 FINDINGS OF FACT and CONCLUSIONS OF LAW:

17 **Findings of Fact**

18
19 1. NRS 645B.900 prohibits any person from offering or providing any of the services of a
20 mortgage broker or mortgage agent or otherwise engaging in, carrying on or holding himself or herself
21 out as engaging in or carrying on the business of a mortgage broker or mortgage agent without first
22 obtaining the applicable license issued pursuant to this chapter, unless the person is properly exempt
23 from licensure.

24 2. NRS 645B.0127(1) defines “Mortgage Broker” to include “any person who, directly or
25 indirectly” does any of the following:
26
27
28

1 (a) Holds himself or herself out for hire to serve as an agent for any
2 person in an attempt to obtain a loan which will be secured by a lien on
3 real property;

4 (b) Holds himself or herself out for hire to serve as an agent for any
5 person who has money to lend, if the loan is or will be secured by a lien
6 on real property;

7 (c) Holds himself or herself out as being able to make loans secured
8 by liens on real property;

9 (d) Holds himself or herself out as being able to buy or sell notes
10 secured by liens on real property;

11 (e) Offers for sale in the State any security which is exempt from
12 registration under state or federal law and purports to make investments in
13 promissory notes secured by liens on real property.

14 3. On or about February 8, 2016, the Division commended an investigation into
15 RESPONDENTS' business practices pursuant to NRS 645B.062(2)(c).

16 4. During the course of the investigation, the Division determined that RESPONDENTS
17 were actively engaged in activity requiring licensure as a mortgage broker under the Statute.

18 5. RESPONDENTS are not currently and have at no time relevant to this matter been
19 licensed by the Commissioner as a mortgage broker in Nevada under the Statute.

20 6. The Division's investigation specifically found the following:

21 a. JNB is a domestic, limited-liability company formed and existing under the laws
22 of the State of Nevada (NV SOS Entity No. E0053852013-3).

23 b. BOTROS is the owner and managing member of JNB.

24 c. RESPONDENTS' current principal Nevada office is located at 2360 Corporate
25 Circle, Suite # 400, Henderson, Nevada 89074.

26 d. RESPONDENTS are not licensed as a mortgage broker in the State of Nevada.

27 e. RESPONDENTS operate a website, located at www.jnbfinancellc.com, which
28

1 advertises that JNB is a direct, private lender based in Henderson, Nevada. The website also advertises
2 that JNB offers loans that are available to investors and individuals in 34 States, including Nevada.

3 f. BOTROS is listed on the website as the owner, managing member, and lender of
4 JNB.

5 g. RESPONDENTS' website describes rates, terms, and programs that
6 RESPONDENTS provide to consumers, and it advertises their ability to conduct trust deed investing
7 and indicates "their private investors are provided with a more predictable, higher return alternative,
8 rather than the stock market and/or mutual funds." RESPONDENTS also advertise that they will
9 entertain loan requests from brokers who share their same strategies.

10 h. The Division discovered additional advertisements for RESPONDENTS on
11 lending websites located at www.biggerpockets.com and www.connectedinvestors.com.

12 i. On or about March 18, 2016, the Division sent a request for information to
13 RESPONDENTS regarding the findings of the Division's investigations and advising RESPONDENTS
14 that they were conducting activity that required licensure under NRS 645B. RESPONDENTS were
15 required to submit a detailed, written response to said request for information no later than
16 April 1, 2016

17 j. On or about April 28, 2016, RESPONDENTS provided an untimely response to
18 the Division's request for information denying participation in activities related to mortgage brokering.

19 7. Any finding of fact that may be deemed a conclusion of law shall be so construed.

20 Conclusions of Law

21 8. It is a violation of NRS 645B.900 to offer or provide the services of a mortgage broker
22 or mortgage agent or to engage in, carry on, or otherwise hold oneself out as engaging in or carrying on
23 the business of a mortgage broker or mortgage agent without first obtaining the applicable license
24 pursuant to the Statute.

25 9. By advertising and offering services of a private money lender and offering to conduct
26 trust deed investing, RESPONDENTS are in violation NRS 645B.900.

27 10. The Commissioner is authorized pursuant to NAC 645B.515 to order a person to cease
28 and desist from engaging in any activity that violates any provision of the Statute.

1 information shall be provided on a spreadsheet and shall, at a minimum, identify: 1) the loan number;
2 2) date loan closed; 3) borrower name(s); 4) property address; 5) loan amount; 6) APN or other
3 identifier; 7) terms of each loan, including any fees that were charged; and 8) name, address, and
4 contact information for the investor associated with each loan. The spreadsheet shall be delivered to the
5 Division at 7220 Bermuda Road, Suite A, Las Vegas, Nevada, 89119, attention Susan Slack, and at
6 sslack@mld.nv.gov.

7 IT IS FURTHER ORDERED that an administrative hearing shall be scheduled in this matter
8 only if RESPONDENTS timely request an administrative hearing in accordance with the instructions
9 set forth in Section II of this Order entitled Notice of Opportunity for an Administrative Hearing. **If no**
10 **administrative hearing is requested within 30 calendar days of the effective date of this ORDER,**
11 **RESPONDENTS shall be deemed to have waived and relinquished the right to an administrative**
12 **hearing in this matter and a FINAL ORDER shall be issued in this matter.**

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

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

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

20 IT IS SO ORDERED.

21
22 DIVISION OF MORTGAGE LENDING

23
24 By 
25 Nancy Corbin, Acting Commissioner

1 II.

2 NOTICE OF OPPORTUNITY FOR AN ADMINISTRATIVE HEARING

3 NAC 645B.515 provides as follows:

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

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

10 (a) For which the person has not received a license or certificate of
11 exemption as required by chapter 645B of NRS; or

12 (b) In a manner that violates the provisions of this chapter or chapter
13 645B of NRS.

14 3. A person who receives an order to cease and desist pursuant to this
15 section shall not engage in any activity governed by chapter 645B of NRS
16 after receiving the order unless the order is suspended or rescinded.

17 4. Not later than 30 calendar days after receiving an order pursuant to
18 this section, the person who receives the order may file a verified petition
19 with the Commissioner to request a hearing. Upon receipt of the verified
20 petition, the Commissioner may, for good cause shown, suspend the order
21 pending the hearing. The Commissioner will hold the hearing on a date
22 not later than 30 calendar days after the date the petition is filed unless the
23 Commissioner and the person agree to another date. The order to cease
24 and desist is rescinded if the Commissioner fails to:

25 (a) Hold a hearing:

26 (1) Not later than 30 calendar days after the date the petition is filed; or

27 (2) On a date agreed to by the Commissioner and the person; or
28

1 (b) Render a written decision within 45 days after the date the hearing is
2 concluded.

3 5. The decision of the Commissioner after a hearing is a final decision
4 of the Division for the purposes of judicial review. [Emphasis added.]

5 **NRS 645B.750 provides as follows:**

6 1. If the Commissioner enters an order taking any disciplinary action against a
7 person or denying a person's application for a license, the Commissioner shall
8 cause a written notice of the order to be served personally or sent by certified
9 mail or telegram to the person.

10 2. Unless a hearing has already been conducted concerning the matter, the
11 person, upon application, is entitled to a hearing. If the person does not make
12 such an application **within 20 days** after the date of the initial order, the
13 Commissioner shall enter a final order concerning the matter.

14 3. A person may appeal a final order of the Commissioner in accordance with
15 the provisions of chapter 233B of NRS that apply to a contested case.
16 [Emphasis added.]

17 **If you wish to exercise your right to an opportunity for an administrative hearing, within**
18 **30 calendar days after receiving this Order, you must file a verified petition with the**
19 **Commissioner to request a hearing.**

20 The verified petition requesting a hearing must be delivered to:

21 Division of Mortgage Lending

22 Attn. Susan Slack

23 7220 Bermuda Road, Suite A

24 Las Vegas, Nevada 89119

25 **If you fail to timely file a verified petition to request a hearing, your right to a hearing to**
26 **contest this matter will be deemed waived and relinquished.**

1 STATE OF NEVADA
2 DEPARTMENT OF BUSINESS AND INDUSTRY
3 DIVISION OF MORTGAGE LENDING

4 Before the Commissioner of the Division of Mortgage Lending

5
6 _____)
7 In the Matter of:)
8 JNB FINANCE, LLC,) Order No. 2016-019
Mortgage Broker License No. UNL,)
9 and) Case No. 2016-019
10)
11 JOHN BOTROS,)
Managing Member & Owner,)
12 Mortgage Broker License No. UNL,)
13 Respondents.)
14 _____)

15
16 **REQUEST FOR INFORMAL CONFERENCE OR HEARING**

17 I, _____ hereby request an informal
18 conference or contested case hearing, as applicable, in the above-captioned matter.

19 **CONTACT INFORMATION**
20 (Provide contact information and check as applicable)

21 Home address: _____
22 _____

23 Mailing address: _____
24 _____

25 Home Phone: _____ Mobile Phone: _____

26 Office Phone: _____ E-mail Address: _____
27
28

COUNSEL CONTACT INFORMATION

Name of Counsel: _____

Address: _____

Office Phone: _____ E-mail Address: _____

_____ I am not represented by counsel and direct all documents and correspondence regarding this matter to be sent to me at the address represented above.

_____ I am represented by counsel and direct all documents and correspondence regarding this matter to be sent to my counsel of record at the address provided above. (Attorneys must attach and file an appearance with this response.)

Respectfully Submitted,
