

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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| 6 |) | Order No. <u>2016-006</u> |
| 7 |) | Case No. 2016-006 |
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In the Matter of:
DIVISION OF MORTGAGE LENDING,
Petitioner,
v.
ALLIANCE MORTGAGE GROUP, INC.,
Mortgage Broker License No. 1405,
NMLS ID No. 346493,
Respondent.

13 CONSENT ORDER
14 TO CEASE AND DESIST VIOLATING NRS 645B AND NAC 645B,
15 REQUIRING COMPLIANCE WITH NRS 645B AND NAC 645B,
16 REQUIRING PAYMENT OF RESTITUTION,
17 REQUIRING PAYMENT OF AN ADMINISTRATIVE FINE,
18 REQUIRING PAYMENT OF EXAMINATION AND INVESTIGATIVE COSTS,
19 REQUIRING THE PRODUCTION OF RECORDS, AND
20 REQUIRING SATISFACTORY COMPLETION OF FURTHER CONTINUING
21 EDUCATION COURSES

22 Issued and Entered,
23 This 17th day of March, 2017,
24 By Cathy Sheehy,
25 Commissioner

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

1 The Commissioner having been granted general supervisory power and control and
2 administrative enforcement authority over all mortgage brokers and mortgage agents doing business in
3 the State of Nevada pursuant to the Act, including the authority to conduct examinations and
4 investigations of its licensed mortgage brokers and mortgage agents; and,

5 ALLIANCE MORTGAGE GROUP, INC. ("ALLIANCE"), having been granted a mortgage
6 broker license (License No. 1405, NMLS ID No. 346493) pursuant to provisions of the Act on
7 January 6, 2005, with its Nevada office (NMLS Branch ID No. 389698) identified by ALLIANCE as
8 situated at 140 W. Huffaker Lane, Suite 16, Reno, Nevada 89511 ("Huffaker address"); and,

9 John Forgie ("Forgie") being ALLIANCE'S President and Director; and,

10 Beginning on May 26, 2015, and concluding on August 17, 2015, Division staff ("Staff") having
11 conducted an examination of ALLIANCE pursuant to NRS 645B.060; and,

12 Based upon the findings of the examination and review of documents obtained by Staff, the
13 Commissioner determined that ALLIANCE had engaged in activity and conduct that violated
14 provisions of the Act. In particular, the Commissioner determined that: ALLIANCE failed to
15 cooperate with the examination in violation of NRS 645B.670(1)(b)(9) (a repeated violation); failed to
16 submit timely and accurate monthly activity reports in violation of NRS 645B.080(2) and
17 NAC 645B.070(1) (a repeated violation); failed to submit timely and accurate mortgage call reports in
18 violation of NRS 645B.080(4) (a repeated violation); failed to maintain complete and suitable records in
19 violation of NRS 645B.080(1) (a repeated violation); and failed to conduct its business in accordance
20 with laws and regulations as required by NRS 645B.670(1)(b)(3) and pursuant to NAC 645B.505, when
21 it failed to comply with applicable state or federal law with respect to two of its originated mortgage
22 loans. The violation of NRS 645B.670(1)(b)(3) resulted from ALLIANCE'S failures to: retain all
23 revised good-faith estimates; document the reasons why such estimates were provided for a period of no
24 less than three years; and to properly reimburse the affected borrowers at settlement, or within 30
25 calendar days after settlement, as required by the Real Estate Settlement Procedures Act. The violation
26 resulted in overcharges to borrowers D.M. and R.M. (Loan No. NV-14018) in the total amount of
27 \$409.37, and overcharges to borrowers M.P. and T.R. (Loan No. NV-14004) in the total amount of
28 \$2,665.40; and,

1 On or about February 17, 2016, in accordance with NRS 233B.127(3), ALLIANCE was served
2 with a NOTICE OF OPPORTUNITY TO SHOW COMPLIANCE AND PROPOSED
3 ADMINISTRATIVE COMPLAINT providing ALLIANCE with (1) notice of facts or conduct which
4 warrant disciplinary action against RESPONDENT'S mortgage broker license and (2) notice of its
5 opportunity for an informal conference, prior to the commencement of formal disciplinary action, to
6 show compliance with all lawful requirements for the retention of his license; and,

7 ALLIANCE availed itself of the opportunity to show compliance at an informal conference held
8 at the Division's office on March 31, 2016; and,

9 Following ALLIANCE'S failure to demonstrate compliance at the informal conference and
10 thereafter, on or about November 22, 2016, in accordance with NRS 233B.127(3), ALLIANCE was
11 served with a NOTICE OF INTENT TO ISSUE AND ENTER FINAL ORDER REVOKING
12 MORTGAGE BROKER LICENSE, REQUIRING PAYMENT OF RESTITUTION, IMPOSING
13 ADMINISTRATIVE FINE, AND ASSESSING EXAMINATION AND INVESTIGATIVE COSTS
14 ("NOI"); and,

15 The Division advised ALLIANCE in the NOI that should it wish to exercise its right to an
16 opportunity for administrative hearing, it must provide written notification to the Division within 20
17 days of the date of mailing of the NOI pursuant to NRS 233B.127; and,

18 ALLIANCE timely requested an informal conference or hearing and an informal conference was
19 held at the Division's office on January 12, 2017; and,

20 RESPONDENT having acknowledged the violations and represented that corrective measures
21 would be implemented and undertaken; and,

22 To avoid the time and expense involved in a formal administrative enforcement hearing, the
23 Division and ALLIANCE have conferred concerning this matter and determined to resolve this matter
24 pursuant to the following terms:

25 1. ALLIANCE agrees to CEASE AND DESIST from any and all violations of the Act in
26 accordance with NAC 645B.515; and,

27 2. ALLIANCE agrees to comply with the provisions of the Act, including the requirements
28 of NRS 645B.080, NAC 645B.072, and NAC 645B.070, which mandate, among other things, that

1 ALLIANCE keep and maintain at its licensed, Huffaker address, complete and suitable records of all
2 mortgage transactions made by ALLIANCE at that location and to timely submit monthly activity
3 reports of its mortgage broker activity as required; and,

4 3. ALLIANCE agrees to make RESTITUTION to borrowers D.M. and R.M. in the total
5 sum of \$409.37 (Loan No. NV-14018) pursuant to NRS 645B.955. ALLIANCE agrees that such
6 RESTITUTION shall be and is due and payable to D.M. and R.M. *no later than 15 business days* from
7 the date of the issuance of this Consent Order, as shown in the caption thereof. ALLIANCE further
8 agrees that contemporaneously with the issued RESTITUTION, it shall provide proof of such payment
9 by delivering to the Division the following documentary evidence:

- 10 a. Copy of ALLIANCE'S issued, executed, and deposited check, or issued, executed,
11 and deposited money order, payable to D.M. and R.M.; and
12 b. Copy of an accompanying cover letter to D.M. and R.M.; and
13 c. Proof of mailing of the foregoing to D.M. and R.M.; and,

14 ALLIANCE agrees that the aforementioned proof of payment of RESTITUTION shall be delivered to
15 the Division at 3300 W. Sahara Avenue, Suite 285, Las Vegas, Nevada 89102, attention Zeljana Ajdari,
16 Supervisory Examiner, at zajdari@mld.nv.gov; and,

17 4. ALLIANCE agrees to make RESTITUTION to borrowers M.P. and T.R. in the total sum of
18 \$2,665.40 (Loan No. NV-14004) pursuant to NRS 645B.955, the form of payment of which shall be
19 individually issued to M.P. in the amount of \$1,332.70, and individually issued to T.R. in the amount of
20 \$1,332.70. ALLIANCE agrees that such RESTITUTION shall be and is due and payable to M.P. and
21 T.R. *no later than 15 business days* from the date of the issuance of this Consent Order, as shown in
22 the caption thereof. ALLIANCE further agrees that contemporaneously with the issued
23 RESTITUTION, it shall provide proof of such payments by delivering to the Division the following
24 documentary evidence:

- 25 a. Copies of ALLIANCE'S issued, executed, and deposited checks, or issued, executed
26 and deposited money orders, as individually payable to M.P. and T.R.; and,
27 b. Copies of accompanying cover letters to M.P. and T.R.; and,
28 c. Proof of mailing of the foregoing to M.P. and T.R.; and,

1 ALLIANCE agrees that the aforementioned proof of payment of RESTITUTION shall be delivered to
2 the Division at 3300 W. Sahara Avenue, Suite 285, Las Vegas, Nevada 89102, attention Zeljana Ajdari,
3 Supervisory Examiner, at zajdari@mld.nv.gov; and,

4 5. ALLIANCE agrees to pay to the Division an ADMINISTRATIVE FINE in the amount
5 of \$5,000.00 in accordance with NRS 645B.670(1)(b)(3) and NRS 645B.670(1)(b)(9). ALLIANCE
6 agrees that such ADMINISTRATIVE FINE is due and payable *no later than 60 calendar days* from the
7 date of the issuance of this Consent Order as shown in the caption thereof, and shall be tendered to the
8 Division in accordance with the instructions included in the attached invoice; and,

9 6. ALLIANCE agrees that an additional ADMINISTRATIVE FINE imposed against
10 ALLIANCE in the amount of \$20,000.00 shall be held in abeyance for a period of *three-hundred, sixty-*
11 *five (365) calendar days* from the date of issuance of this Consent Order, as shown in the caption
12 thereof, pending: (a) ALLIANCE'S compliance and satisfaction of the material terms of this Consent
13 Order, and (b) determination by the Division that ALLIANCE has committed no further violation(s) of
14 the Act. ALLIANCE thus agrees that if within three-hundred, sixty-five (365) calendar days from the
15 issuance of this Consent Order, it fails to comply with or satisfy the material terms of this Consent
16 Order, or is found by the Division to have committed further violation(s) of the Act, ALLIANCE shall
17 pay to the Division the additional ADMINISTRATIVE FINE in the amount of \$20,000.00 and any
18 unpaid balance of the originally imposed ADMINISTRATIVE FINE, all of which shall be *immediately*
19 *due and payable to the Division in full*, in addition to the applicable fine imposed for the new
20 violation(s) of the Act; and,

21 7. ALLIANCE agrees to pay the Division's EXAMINATION AND INVESTIGATIVE
22 COSTS ("COSTS") in the total amount of \$5,520.00, in accordance with NRS 622.400. ALLIANCE
23 agrees that the COSTS are due and payable *no later than 60 calendar days* from the date of the
24 issuance of this Consent Order as shown in the caption thereof, and shall be tendered to the Division
25 with the ADMINISTRATIVE FINE as described in Paragraph No. 5, above, in accordance with the
26 instructions included in the attached invoice.

27 8. ALLIANCE agrees, in accordance with NRS 645B.080, NAC 645B.072,
28 NAC 645B.063(1), and NAC 645B.067(4), that *no later than 60 calendar days* from the date of the

1 issuance of this Consent Order as shown in the caption thereof, ALLIANCE shall produce and submit to
2 the Division the following described information, documents, and photographs to provide compliance
3 with the provisions of the Act and the material terms of this Consent Order, including confirmation of
4 its licensed, Nevada branch office at the Huffaker address; operation of its Nevada licensed, broker
5 business at the Huffaker address; and record keeping and maintenance of complete and suitable records
6 of all mortgage transactions made by ALLIANCE at the Huffaker address:

7 a. Copy of original lease/rental agreement *and* renewed or currently effective office
8 lease/rental agreement, for ALLIANCE'S operation of its mortgage business at the licensed,
9 Nevada Huffaker address, letter from lessor/property owner reflecting that ALLIANCE is or
10 remains in "good standing" as the renter/lessee of those premises, and copy of cancelled check
11 or other evidence of paid rental/lease fees documenting ALLIANCE'S most current lease/rental
12 payment; and,

13 b. Photographs of the exterior office entrance or entrance to the office suite in lobby area
14 (if located in a commercial building) of the licensed Huffaker address, including photographs
15 evidencing existence of separate and distinct office space for ALLIANCE at that address, and
16 photographs of marquee or other visible signage providing ALLIANCE'S business name and
17 Huffaker office address as visible from the street or parking lot; and,

18 c. Photographs which document the conspicuous, public display of ALLIANCE'S
19 mortgage broker license, as posted inside the office at the licensed Huffaker address, and which
20 depict its physical location in relation to the entire, licensed office location (a single close-up
21 photograph of such license not being adequate to comply with this requirement); and,

22 d. Photographs of secured, locking storage cabinets or other areas in which
23 ALLIANCE'S records and files are securely kept and maintained within the office situated at the
24 licensed Huffaker address and which depict its physical location in relation to the entire,
25 licensed office location (a single close-up photograph of the cabinet(s) not being adequate to
26 comply with this requirement); and,

27 e. Photographs of shredding bin(s) utilized by ALLIANCE within the office at the
28 licensed Huffaker address which depict the physical location of the bin(s) in relation to the

1 entire, licensed office location (a single close-up photograph of such a bin not being adequate to
2 comply with this requirement); and,

3 ALLIANCE AGREES that the aforementioned documentation and photographs shall be delivered to the
4 Division at 3300 W. Sahara Avenue, Suite 285, Las Vegas, Nevada 89102, attention Zeljana Ajdari,
5 Supervisory Examiner, at zajdari@mld.nv.gov; and,

6 9. ALLIANCE agrees to attend and complete six (6) hours of continuing education courses
7 through the NMLS, three (3) hours of which must pertain exclusively to instruction on *ethics*, and three
8 (3) hours of which must encompass instruction pertaining to *record-keeping and records-maintenance*
9 requirements. The courses shall not count towards ALLIANCE'S continuing education requirements
10 for the retention and/or renewal of its mortgage broker license, and the courses shall not be repeated
11 courses of those which ALLIANCE may have completed during the past year; and,

12 10. RESPONDENT agrees to provide to the Division, *no later than 60 calendar days* from
13 the date of the issuance of this Consent Order as shown in the caption thereof, a copy of a certificate of
14 completion or some other form of authenticating documentation from the education-course provider,
15 which demonstrates ALLIANCE'S satisfactory completion of both the class on *ethics* and the class on
16 *records-keeping and records-maintenance*, as required in this Consent Order, and shall be delivered to
17 the Division at 3300 W. Sahara Avenue, Suite 285, Las Vegas, Nevada 89102, attention Zeljana Ajdari,
18 Supervisory Examiner, at zajdari@mld.nv.gov; and,

19 11. ALLIANCE understands and agrees that failure to strictly comply with each and every
20 provision of this Consent Order is a violation of NRS 645B.670(1)(b)(3).

21 ALLIANCE, by and through its President and Director, John Forgie, has knowingly and
22 voluntarily affixed its authorized signature to the attached VOLUNTARY CONSENT TO ENTRY OF
23 COMMISSIONER'S ORDER, incorporated herein by this reference, and has consented to the issuance
24 of this Consent Order with the intent to be legally bound hereby, and has waived and relinquished any
25 and all rights that ALLIANCE may now or hereafter have to an administrative hearing in this matter or
26 to judicial review thereof, or otherwise challenge or contest, the entry of this Consent Order; and,

27 ALLIANCE has had opportunity to consult with legal counsel of its choosing concerning this
28 matter; and,

1 The Commissioner making the following FINDINGS and CONCLUSIONS based upon the
2 foregoing and the books and records of the Division:

3 1. The Commissioner has jurisdiction and authority to issue this Consent Order in this
4 matter pursuant to the Nevada Administrative Procedures Act ("NAPA"), NRS 233B.010 *et seq.*, and
5 the Mortgage Brokers and Mortgage Agents Act, NRS 645B.010, *et seq.*

6 2. All required notices have been issued in this matter, and the notices and service thereof
7 were appropriate and lawful in all respects.

8 3. The terms of this Consent Order are a reasonable resolution of this matter and in the
9 public interest.

10 4. All applicable provisions of NAPA and NRS 622 have been met.

11 5. ALLIANCE committed repeat violations of NRS 645B.670(1)(b)(9), NRS 645B.080(2),
12 NAC 645B.070(1), NRS 645B.080(4), and NRS 645B.080(1), and pursuant to NAC 645B.505, violated
13 NRS 645B.670(1)(b)(3).

14 NOW, THEREFORE, IT IS HEREBY ORDERED that:

15 1. ALLIANCE shall fully comply with all provisions of the Act and CEASE AND DESIST
16 from any and all violations of the Act.

17 2. ALLIANCE shall keep and maintain, at its licensed, Huffaker address, complete and
18 suitable records of all mortgage transactions made by ALLIANCE at that location and shall timely
19 submit monthly activity reports of its mortgage broker activity as required.

20 3. ALLIANCE shall make RESTITUTION to borrowers D.M. and R.M. in the total sum of
21 \$409.37 (Loan No. NV-14018). Such RESTITUTION shall be and is due and payable to D.M. and
22 R.M. *no later than 15 business days* from the date of the issuance of this Consent Order, as shown in
23 the caption thereof. Contemporaneously with the issued RESTITUTION, ALLIANCE shall provide
24 proof of such payment by delivering to the Division the following documentary evidence:

25 a. Copy of ALLIANCE'S issued, executed, and deposited check, or issued, executed, and
26 deposited money order, payable to D.M. and R.M.; and,

27 b. Copy of an accompanying cover letter to D.M. and R.M.; and,

28 c. Proof of mailing of the foregoing to D.M. and R.M.; and,

1 The aforementioned proof of payment of RESTITUTION shall be delivered to the Division at
2 3300 W. Sahara Avenue, Suite 285, Las Vegas, Nevada 89102, attention Zeljana Ajdari, Supervisory
3 Examiner, at zajdari@mld.nv.gov.

4 4. ALLIANCE shall make RESTITUTION to borrowers M.P. and T.R. in the total sum of
5 \$2,665.40 (Loan No. NV-14004), the form of payment of which shall be individually issued to M.P. in
6 the amount of \$1,332.70, and individually issued to T.R. in the amount of \$1,332.70. Such
7 RESTITUTION shall be and is due and payable *no later than 15 business days* from the date of the
8 issuance of this Consent Order, as shown in the caption thereof. Contemporaneously with the issued
9 RESTITUTION, ALLIANCE shall provide proof of such payment by delivering to the Division the
10 following documentary evidence:

- 11 a. Copies of ALLIANCE'S issued, executed, and deposited checks, or issued, executed
12 and deposited money orders, as individually payable to M.P. and T.R.; and,
- 13 b. Copies of accompanying cover letters to M.P. and T.R.; and,
- 14 c. Proof of mailing of the foregoing to M.P. and T.R.; and,

15 The aforementioned proof of payment of RESTITUTION shall be delivered to the Division at
16 3300 W. Sahara Avenue, Suite 285, Las Vegas, Nevada 89102, attention Zeljana Ajdari, Supervisory
17 Examiner, at zajdari@mld.nv.gov.

18 5. ALLIANCE shall pay an ADMINISTRATIVE FINE in the amount of \$5,000.00 which
19 shall be due and payable *no later than 60 calendar days* from the date of the issuance of this Consent
20 Order as shown in the caption thereof, and shall be tendered to the Division in accordance with the
21 instructions included in the attached invoice.

22 6. If within *three-hundred sixty-five (365) calendar days* following the date of issuance of
23 this Consent Order, as shown in the caption thereof, ALLIANCE fails to comply with and satisfy the
24 material terms of this Consent Order, or is found by the Division to have committed further violation(s)
25 of the Act, ALLIANCE shall pay to the Division the additional ADMINISTRATIVE FINE in the
26 amount of \$20,000.00 and any unpaid balance of the originally imposed ADMINISTRATIVE FINE, all
27 of which shall be *immediately due and payable to the Division in full*, in addition to the applicable fine
28 imposed for the new violation(s) of the Act. The additional \$20,000.000 ADMINISTRATIVE FINE is

1 held in abeyance unless and until ALLIANCE fails to comply with and satisfy the material terms of the
2 Consent Order, or fails to comply with the provisions of the Act, for the described 365 calendar-day
3 period.

4 7. ALLIANCE shall pay to the Division EXAMINATION AND INVESTIGATIVE
5 COSTS (“COSTS”) in the total amount of \$5,520.00. The COSTS shall be due and payable *no later*
6 *than 60 calendar days* from the date of the issuance of this Consent Order as shown in the caption
7 thereof, and shall be tendered to the Division with the ADMINISTRATIVE FINE as described in
8 Paragraph No. 5 directly above, in accordance with the attached invoice.

9 8. ALLIANCE shall provide to the Division, *no later than 60 calendar days* from the date
10 of the issuance of this Consent Order as shown in the caption thereof, the following described
11 information, documents, and photographs:

12 a. Copy of original lease/rental agreement *and* renewed or currently effective office
13 lease/rental agreement, for ALLIANCE’S operation of its mortgage business at the licensed,
14 Nevada Huffaker address, letter from lessor/property owner reflecting that ALLIANCE is or
15 remains in “good standing” as the renter/lessee of those premises, and copy of cancelled check
16 or other evidence of paid rental/lease fees documenting ALLIANCE’S most current lease/rental
17 payment; and,

18 b. Photographs of the exterior office entrance or entrance to the office suite in lobby area
19 (if located in a commercial building) of the licensed Huffaker address, including photographs
20 evidencing existence of separate and distinct office space for ALLIANCE at that address, and
21 photographs of marquee or other visible signage providing ALLIANCE’S business name and
22 Huffaker office address as visible from the street or parking lot; and,

23 c. Photographs which document the conspicuous, public display of ALLIANCE’S
24 mortgage broker license, as posted inside the office at the licensed Huffaker address, and which
25 depict its physical location in relation to the entire, licensed office location (a single close-up
26 photograph of such license not being adequate to comply with this requirement); and,

27 d. Photographs of secured, locking, storage cabinets or other areas in which
28 ALLIANCE’S records and files are securely kept and maintained within the office situated at the

1 licensed Huffaker address and which depicts its physical location in relation to the entire,
2 licensed office location (a single close-up photograph of the cabinet(s) not being adequate to
3 comply with this requirement); and,

4 e. Photographs of shredding bin(s) utilized by ALLIANCE within the office at the
5 licensed Huffaker address which depict the physical location of the bin(s) in relation to the
6 entire, licensed office location (a single close-up photograph of such a bin not being adequate to
7 comply with this requirement).

8 The aforementioned documentation and photographs shall be delivered to the Division at 3300 W.
9 Sahara Avenue, Suite 285, Las Vegas, Nevada 89102, attention Zeljana Ajdari, Supervisory Examiner,
10 at zajdari@mld.nv.gov.

11 9. ALLIANCE shall attend and complete six (6) hours of continuing education courses
12 through the NMLS, three (3) hours of which shall pertain exclusively to instruction on *ethics*, and three
13 (3) hours of which shall encompass instruction pertaining to *record-keeping and records-maintenance*
14 requirements. The courses shall not count towards ALLIANCE'S continuing education requirements
15 for the retention and/or renewal of its mortgage broker license and the courses shall not be repeated
16 courses of those which ALLIANCE may have completed during the past year.

17 10. RESPONDENT shall provide to the Division, *no later than 60 calendar days* from the
18 date of the issuance of this Consent Order as shown in the caption thereof, a copy of a certificate of
19 completion or some other form of authenticating documentation from the education-course provider,
20 which demonstrates ALLIANCE'S satisfactory completion of both the class on *ethics* and the class on
21 *records-keeping and records-maintenance*, as required in this Consent Order, and shall be delivered to
22 the Division at 3300 W. Sahara Avenue, Suite 285, Las Vegas, Nevada 89102, attention Zeljana Ajdari,
23 Supervisory Examiner, at zjadari@mld.nv.gov.

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

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

