

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:

KRKABOB INCORPORATED  
D/B/A ARGUS LENDING,  
Mortgage Broker License No. 4140,  
NMLS ID No. 233989,

and

KENNETH PITTMAN,  
President and Sole Owner,  
Mortgage Agent License No. 58781,  
NMLS ID No. 233927,

Respondents.

Order No. 2018-008

Case No. 2018-008

CONSENT ORDER REQUIRING COMPLIANCE,  
IMPOSING AN ADMINISTRATIVE FINE,  
AND ASSESSING COSTS

Issued and Entered,  
This 23<sup>rd</sup> day of October, 2019,  
By Cathy Sheehy,  
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.* ("the Statute"), and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 *et seq.* ("the Regulation") (collectively "the Act"), governing the licensing and conduct of mortgage brokers and mortgage agents in the State of Nevada; and,

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1 The Commissioner having been granted general supervisory power and control and  
2 administrative enforcement authority over mortgage brokers and mortgage agents doing business in the  
3 State of Nevada pursuant to the Statute; and,

4 The Commissioner having been further vested with broad authority to conduct investigations to  
5 determine whether any person has violated any provision of the Act; and,

6 KRKABOB INCORPORATED D/B/A ARGUS LENDING (“KRKABOB”), an active foreign  
7 corporation licensed to do business in the State of Nevada, having made application for and been  
8 granted a mortgage broker license, MLD License No. 4140, NMLS ID No. 233989, by the  
9 Commissioner on or about December 11, 2014, and authorized to operate a branch office located at One  
10 East Liberty Street, Suite 600, Office 32, Reno, Nevada, 89501 (“Reno location”), NMLS COMPANY  
11 ID No. 1196475, but having a main office situated at 3478 Buskirk Avenue, Suite 262, Pleasant Hill,  
12 California, 94523; and,

13 KENNETH PITTMAN (“PITTMAN”), president and sole owner of KRKABOB, having made  
14 application for and been granted a mortgage agent license, MLD License No. 58781, NMLS ID No.  
15 233927, by the Commissioner on or about on or about May 18, 2017; and,

16 KRKABOB and PITTMAN (collectively, “RESPONDENTS”) having at all times herein held  
17 said licenses under the respective statutes, and therefore, being subject to the jurisdiction of the  
18 Commissioner; and,

19 It being a requirement for holding a Nevada mortgage broker license that a broker designate a  
20 natural person who meets the requirement set forth in NAC 645B.055 to serve as its qualified employee  
21 at each licensed office location in Nevada; and it being a further requirement that in the event that a  
22 qualified employee ceases to be such, the licensee shall designate a new qualified employee not later  
23 than *thirty calendar days* thereafter; and,

24 RESPONDENTS, for a period of approximately *18 months*, and despite having received  
25 numerous and repeated notifications through the NMLS, admonitions by Division staff, and disciplinary  
26 measures issued by the Commissioner, continued their failure to comply with NAC 645B.055 by failing  
27 to designate for Commissioner approval, a qualified employee that met the requirements of the  
28 Regulation, even failing to abide with the requirements of the Regulation after paying the administrative

1 fine and investigative costs due to the Division for such failure, as subject of an order issued by the  
2 Commissioner against RESPONDENTS; and,

3 Based upon RESPONDENTS' continued failures to designate for Commissioner approval, a  
4 qualified employee that met the requirements of the Regulation, the Commissioner opining that in the  
5 face of repeated directives by, and disciplinary actions of the Division to achieve compliance with the  
6 Act, demonstrated at the very least, indifference to the obligations of a mortgage broker under the Act;  
7 and,

8 RESPONDENTS having been served on or about August 6, 2018, in accordance with NRS  
9 233B.127(3), with a NOTICE OF INTENT TO ISSUE FINAL ORDER REVOKING MORTGAGE  
10 BROKER LICENSE, REQUIRING PAYMENT OF ADMINISTRATIVE COSTS AND NOTICE OF  
11 OPPORTUNITY FOR ADMINISTRATIVE HEARING ("REVOCATION NOTICE") providing  
12 RESPONDENTS with: (1) notice of facts or conduct which warrant disciplinary action against  
13 RESPONDENTS, and (2) notice of opportunity for administrative hearing; and,

14 An informal conference having been conducted by the Division with RESPONDENTS on  
15 September 13, 2018 concerning this matter; and,

16 RESPONDENTS having recently complied with the Regulation, and showing their desire to  
17 cooperate with the Division, and to avoid the time and expense involved in a formal administrative  
18 enforcement hearing; and,

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

21 1. RESPONDENTS agree to henceforth CEASE AND DESIST from any violations of the  
22 Act, including as such pertain to the designation of, attempt to obtain Commissioner-approval of, and  
23 maintenance of employment by a qualified employee as required for RESPONDENTS' Reno location  
24 or any other authorized branch office in Nevada; and,

25 2. RESPONDENTS agree to pay to the Division an ADMINISTRATIVE FINE in the  
26 amount of \$7,500.00; and,

27 3. RESPONDENTS further agree to pay to the Division its costs in the amount of  
28 \$1,290.00 in accordance with NRS 622.400; and,

1           4.       RESPONDENTS understand and agree that failure to strictly comply with each and  
2 every provision of this Consent Order is a violation of the Act and is grounds for any further discipline  
3 authorized under the Act; and,

4           5.       RESPONDENTS further understand and agree that if RESPONDENTS hereafter fail to  
5 strictly comply with the mandatory requirements of NAC 645B.055 concerning any qualified employee,  
6 the Division may proceed directly to schedule and conduct a noticed hearing for purpose of revoking  
7 KRKABOB's mortgage broker license.

8           RESPONDENTS, by and through KRKABOB's president and sole owner, KENNETH  
9 PITTMAN, having knowingly and voluntarily affixed his signature to the attached VOLUNTARY  
10 CONSENT TO ENTRY OF COMMISSIONER'S CONSENT ORDER REQUIRING COMPLIANCE,  
11 IMPOSING AN ADMINISTRATIVE FINE, AND ASSESSING COSTS ("VOLUNTARY  
12 CONSENT"), incorporated herein by this reference, have consented to the issuance of this Consent  
13 Order with the intent to be legally bound hereby, and having waived and relinquished any and all rights  
14 that RESPONDENTS may now or hereafter have to be served with a notice of charges and an  
15 administrative hearing in this matter or to judicial review of, or otherwise challenge or contest, the entry  
16 of this Consent Order; and,

17           RESPONDENTS having had opportunity to consult with legal counsel of their choosing  
18 concerning this matter; and,

19           The Commissioner having made the following FINDINGS and CONCLUSIONS based upon the  
20 foregoing and the books and records of the Division:

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

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

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

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

1           5.       RESPONDENTS violated NAC 645B.055.

2           NOW, THEREFORE, IT IS HEREBY ORDERED that:

3           1.       RESPONDENTS shall henceforth fully comply with the provisions of the Act and shall  
4 CEASE AND DESIST from any and all violations of the Act.

5           2.       Upon failure of KRKABOB to hereafter comply with the requirements of NAC  
6 645B.055, the Division may proceed directly to schedule a noticed hearing for purpose of revoking  
7 KRKABOB's mortgage broker license.

8           3.       RESPONDENTS shall pay to the Division an ADMINISTRATIVE FINE in the amount  
9 of \$7,500.00. The administrative fine shall be and is due to the Division no later than **August 9, 2019**  
10 (as reflected in the attached invoice) and shall be accompanied by the signed and notarized  
11 VOLUNTARY CONSENT as attached.

12           4.       RESPONDENT shall pay to the Division its ADMINISTRATIVE COSTS in the amount  
13 of \$1,290.00. The investigative costs shall be and are due to the Division no later than **August 9, 2019**  
14 (as reflected in the attached invoice) and shall be accompanied by the signed and notarized  
15 VOLUNTARY CONSENT, as attached.

16           5.       Failure to abide with the foregoing terms as set forth in this Consent Order shall render  
17 the terms of this Consent Order VOIDABLE at the option of the COMMISSIONER, thereby subjecting  
18 RESPONDENTS to all disciplinary measures authorized under the Act, including those described in the  
19 REVOCATION NOTICE of which RESPONDENTS were previously notified in this matter.

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

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

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