

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:)
Rodeo Capital, Inc., a California) Case No. 2021-009
corporation, Richard Katz, an)
individual, and Gregg Bernstein, an)
individual.)
Mortgage Company License No.)
Unlicensed)
Respondents.)

ORDER TO CEASE AND DESIST
AND
NOTICE OF ORDER IMPOSING
ADMINISTRATIVE FINES AND INVESTIGATIVE COSTS,
AND
NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING

Issued and Entered,
This 11th day of February 2022,
By Cathy Sheehy,
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.*¹ (hereinafter, "NRS 645B" or "the Statutes"), and Chapter

¹ This reference is intended to include NRS 645E which provided for a mortgage banker license. In 2017, the Nevada Legislature passed AB 468 (2017) which combined the mortgage banker license with the mortgage broker (changed to mortgage company) license in NRS 645B. NRS 645E expired as of December 31, 2019.

1 645B of the Nevada Administrative Code, NAC 645B.001 *et seq.* (hereinafter, “NAC 645B”
2 or “the Regulations”) (the Statutes and Regulations are collectively, the “Act”), governing
3 the licensing and conduct of mortgage companies and mortgage loan originators doing
4 business in the State of Nevada; and,

5 The Commissioner is required to conduct investigations as may be necessary to
6 determine whether any person has violated any provision of the Act.

7 Pursuant to that statutory authority and responsibility vested in the Commissioner,
8 and in accordance with provisions of the Act and other applicable law, notice is hereby
9 provided to RODEO CAPITAL, INC., A CALIFORNIA CORPORATION, RICHARD KATZ,
10 and GREGG BERNSTEIN (collectively “RESPONDENTS”), to cease any and all activity
11 for which licensure is required under the Act until such time as they have obtained a license
12 or exemption from the Nevada Division of Mortgage Lending (“the Division”).

13 **I. FACTUAL AND LEGAL BASIS**

14 **FOR CEASE AND DESIST ORDER AND ORDER IMPOSING**
15 **ADMINISTRATIVE FINES AND INVESTIGATIVE COSTS**

16 The Commissioner finds that there is sufficient factual basis and legal authority to
17 warrant this order as follows:

18 1. On or around November 26, 2019, the Division initiated an investigation
19 against Rodeo Capital, Inc. a California Corporation (“Rodeo Capital”), for engaging in
20 activity requiring licensure as mortgage broker under Chapter 645B of the Nevada Revised
21 Statutes while not holding the proper licensure.

22 2. Gregg Bernstein is the chief executive officer of Rodeo Capital.

23 3. Richard Katz is the president of Rodeo Capital.

24 4. On December 3, 2019, the Division requested that Rodeo Capital provide all
25 information regarding any mortgage lending activity it engaged in in Nevada, a list of all
26 loans made and/or arranged on Nevada real property since the company’s inception through
27 December 3, 2019, and an explanation regarding why Rodeo Capital engaged in the activity
28

1 of a mortgage broker in Nevada while not holding the property licensure under NRS
2 Chapter 645B.

3 5. On or around December 17, 2019, Rodeo Capital provided a written response
4 to the Division, stating that it had conducted the following two loan transactions in Nevada:
5 (1) a commercial loan made to Global Luxury Real Estate Investment Fund, LLC, a Nevada
6 limited liability company, secured by commercial land identified as Clark County
7 Assessor's Parcel No. 162-29-205-005, in Las Vegas, Nevada ("Commercial Loan") and (2)
8 arranged for a residential loan made by California lender Westridge Lending Fund, LLC,
9 a California limited liability company to a Virginia borrower, Execliving LLC, a Virginia
10 limited liability company, secured by real property located at 4 Sable Ridge Court, Las
11 Vegas, Nevada ("Property") (collectively, the "Residential Loan").

12 6. The Division then requested that Rodeo Capital provide both the files for the
13 Commercial Loan and the Residential Loan.

14 7. With respect to the Commercial Loan, Rodeo Capital claimed that it fell under
15 the occasional commercial loan exception to which it is exempt from the licensing
16 requirements set forth in NRS Chapter 645B.

17 8. Despite claiming the exemption, Rodeo Capital conducted the Commercial
18 Loan in Nevada without first applying for a Certificate of Exemption from the Division.

19 9. NRS 645B.016 requires any person who claims an exception from the
20 provisions of NRS Chapter 645B to file a written application for a certificate of exemption
21 with the Office of the Commissioner.

22 10. NRS 645B.016(6) authorizes the Commissioner to impose an administrative
23 fine of not more than \$10,000.00 per violation on a person who is required to apply for a
24 certificate of exemption but fails to do so.

25 11. Further, NAC 645B.515 authorizes the Commissioner to issue a cease and
26 desist if a person engages in activities in violation of NAC and/or NRS 645B.

27 12. The Division's review of the loan file provided for the Residential Loan
28 indicated a residential loan was made by Westridge Lending Fund, LLC, a California

1 limited liability company, to Execliving LLC, a Virginia liability company, secured by a
2 deed of trust on the Property.

3 13. A letter dated October 19, 2017, from Geraci Law Firm, providing escrow
4 instructions for the closing of the Residential Loan stated that a broker fee in the amount
5 of \$19,000.00 was payable to Laus Abdo ("Abdo") of South Wind Financial, Inc. ("South
6 Wind").

7 14. The Division's search of the October 2017 Monthly Activity Report for South
8 Wind did not list the Residential Loan.

9 15. On or around January 29, 2020, the Division sent the president of South Wind
10 a letter regarding the Residential Loan, requested a copy of the loan file, an explanation of
11 how South Wind became involved in the transaction, the name of the loan officer who
12 handled the transaction, and copies of the commission/payroll for the transaction.

13 16. On or around May 18, 2020, the Division sent additional correspondence to
14 the president of South Wind stating that the paperwork for the Residential Loan identified
15 South Wind as the mortgage broker and payee of a commission but that just prior to the
16 close of the transaction, Abdo, who at the time was a mortgage lending officer sponsored by
17 South Wind, used AGP (defined below) as the broker on the transaction.

18 17. In the May 18th correspondence, the Division further asked South Wind to
19 explain its lack of supervision over Abdo.

20 18. On or around May 21, 2020, South Wind's president responded to the Division
21 stating that Southwind did not close the transaction, had no file for the transaction, did not
22 receive any funds on it, and that South Wind was not involved in the transaction.

23 19. South Wind further stated that Abdo did not close any loans under South
24 Wind during his employment and stated that Abdo stated that the transaction was a
25 referral and that Abdo received a finder's fee. but did not address South Wind's lack of
26 supervision over Abdo.

27 20. The Division also subpoenaed the file for the Residential Loan from Tigor Title
28 of Nevada ("Tigor").

1 21. The subpoenaed documents showed that although the Estimated Settlement
2 Statement listed South Wind as the recipient of the broker fee, the Final Settlement
3 Statement Listed Abdo Global Partners dba AGP Capital (“AGP”) as the recipient of the
4 broker fee.

5 22. AGP is owned by Abdo.

6 23. At the time the Residential Loan was conducted, Abdo was a Nevada licensed
7 mortgage lending officer sponsored by South Wind.

8 24. Documents obtained from Ticor showed that on October 20, 2017, Sara
9 Epstein (“Epstein”) of Rodeo Capital sent Jo Campo (“Campo”), Senior Escrow Officer at
10 Ticor, an email stating, “...Here is the info for some of the Brokers on this deal: Broker \$1
11 for .5%: (\$19K) AGP Capital Wire Instructions: Bank Name: US Bank: Routing No.
12 1xxxxxxx4; Account No. 1xxxxxxxxxx8; N/O Abdo Global Partners, Inc. dba AGP Capital
13 Las Vegas, NV. Broker #2 for 1.5% (wiring instructions attached); \$57K,” which was the
14 marketing fee to Allegris Financial.

15 25. The title documents also showed email correspondence dated October 25,
16 2017, from Epstein (Rodeo Capital) to Campo (Ticor) stating in part, “South Wind: AGP
17 Capital Wire Instructions: Bank Name: US Bank; Routing No. 1xxxxxxx4; Account No.
18 1xxxxxxxxxx8; N/O Abdo Global Partners, Inc. dba AGP Capital Las Vegas, NV.”

19 26. The title documents also showed an email exchange on October 26, 2017,
20 where Epstein (Rodeo Capital) instructed Campo (Ticor) to change the following on the
21 closing statement: “1) Marketing fee from Allegris to Whisper Capital, LLC and 2) Broker
22 fee to South Wind Financial to be changed to AGP Capital.”

23 27. On October 26, 2017, Ticor wired AGP \$19,000.00 to US Bank to the account
24 set forth in Paragraph 25.

25 28. On February 25, 2020, the Division contacted Abdo and requested a list of all
26 loans made and/or arranged on Nevada real property from AGP’s inception through
27 February 25, 2020 and requested an explanation regarding why it was engaging in
28 mortgage broker activities in Nevada without holding a license.

1 29. On March 31, 2020, Abdo responded to the Division and stated that his
2 activities focus only on commercial real estate and that he does not transact in the owner-
3 occupied sector.

4 30. In his March 31st letter, Abdo further stated that he is the sole shareholder of
5 AGP and used the entity to receive certain fees for services on his behalf and provided a
6 list of mortgage loans conducted through AGP.

7 31. The list of loans provided by Abdo did not show any loan activity from 2016
8 through 2018.

9 32. On or around April 3, 2020, in email correspondence to the Division, Abdo
10 represented that he did not have a file for the Residential Loan as it was a “referral fee” or
11 a real estate fee, and that he had limited or no involvement in the transaction other than a
12 finder or other.

13 33. In additional email correspondence to the Division Abdo stated, ... “I don’t
14 have a file on this loan. The reason there is no file is this was a referral, I did not collect
15 any information from the borrower or interface with the borrower, it was a referral. My
16 understanding is the property is not an owner-occupied property it was an investment
17 property. I haven’t done any owner-occupied residential loans. In late 2017 I was focused
18 in CA with the Watt Companies organizing our fund.”

19 34. On June 15, 2021, the Division sent correspondence to Rodeo Capital asking
20 how it became involved with Abdo.

21 35. On June 24, 2021, Rodeo Capital responded stating that it had a prior
22 relationship with Abdo in that he brokered and offered to broker loan transactions outside
23 of the state of the Nevada prior to the Residential Loan transaction.

24 36. Rodeo Capital further stated that it understood Abdo was affiliated with a
25 licensed brokerage company- South Wind- and that its records demonstrated that
26 immediately prior to closing and disbursing the Residential Loan funds, Abdo desired to
27 have his fees paid to AGP.

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1 37. RESPONDENTS engaged in unlicensed activity by conducting the Residential
2 Loan in Nevada that was secured by the Property while not holding the proper licensure
3 required under NRS Chapter 645 from the Division.

4 38. NRS 645B.0127 defines “mortgage company” and states:

5 1. “Mortgage company” means a person who, directly or indirectly:

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

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

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

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

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

16 2. The term includes a wholesale lender.

17 39. Pursuant to NRS 645B.900, unless a person is exempt, it is unlawful for any
18 person to offer or provide any of the services of a mortgage company or mortgage loan
19 originator or otherwise to engage in, carry on or hold himself or herself out as engaging in
20 or carrying on the business of a mortgage company or mortgage loan originator without
21 first obtaining the applicable license pursuant to NRS 645B.

22 40. Pursuant to NAC 645B.515, the Commission is authorized to order a person
23 engaging in activity in violation of NRS 645B to immediately cease and desist from
24 engaging in the activity.

25 41. Further, NRS 645B.690 authorizes the Commissioner to impose an
26 administrative fine of not more than \$50,000.00 for each violation if a person offers or
27 provides any of the services of a mortgage company or mortgage loan originator or
28 otherwise engages in, carries on or holds himself or herself out as engaging in or carrying
on the business of a mortgage company or mortgage originator, and at the time, was

1 required to have a license pursuant to NRS Chapter 645B and the person did not have such
2 a license.

3 42. The Commissioner may also assess and collect costs, including attorney fees,
4 against RESPONDENTS in accordance with NRS 645B.070(3).

5 **II. ORDER TO CEASE AND DESIST AND**
6 **ORDER IMPOSING ADMINISTRATIVE FINES, AND INVESTIGATIVE COSTS**

7 The Commissioner having formed the opinion based upon the foregoing that
8 RESPONDENTS have been and are engaged in unlicensed activities in violation of the Act,
9 and concluded and determined that RESPONDENTS should be ordered to: 1) cease and
10 desist from engaging in any activity requiring licensure under NRS 645B; 2) pay an
11 administrative fine; and 3) pay investigative costs.

12 NOW, THEREFORE, IT IS ORDERED that RESPONDENTS shall immediately
13 CEASE AND DESIST from holding themselves out as engaging in or carrying on any
14 activities that require licensure as a mortgage company under the Act, until such time as
15 they have been granted a license to do so.

16 IT IS FURTHER ORDERED that an ADMINISTRATIVE FINE in the total amount
17 of \$10,000.00 shall be and hereby is imposed in accordance with NRS 645B.690.

18 IT IS FURTHER ORDERED that RESPONDENTS shall be and hereby are assessed
19 the Division's INVESTIGATIVE COSTS in the amount of \$2,385.00 in accordance with
20 NRS 645B.070(3).

21 IT IS FURTHER ORDERED that an administrative hearing shall be scheduled in
22 this matter only if RESPONDENTS timely request an administrative hearing in
23 accordance with the instructions set forth in the Section III and IV below. If no
24 administrative hearing is requested timely, RESPONDENTS shall be deemed to have
25 waived and relinquished the right to an administrative hearing in this matter and a FINAL
26 ORDER shall be issued in this matter.

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

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

3 IT IS FURTHER ORDERED that the Commissioner specifically retains jurisdiction
4 over the matters contained herein and has the authority to issue such further order(s) as
5 the Commissioner shall deem just, necessary, and appropriate to enforce the Act and
6 protect the public.

7 IT IS SO ORDERED.

8 DIVISION OF MORTGAGE LENDING

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10 By: 

11 Cathy Sheehy, Commissioner
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