



3300 W. Sahara, Suite 250
Las Vegas, Nevada 89102
(702) 486-4120

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

1755 East Plumb Lane, Suite 243
Reno, Nevada 89502
(775) 688-1730

IN THE MATTER OF:

MHD Nevada Holdings, LLC
dba: Fast Cash Title Loans,

Respondent.

ADMINISTRATIVE COMPLAINT FOR
DISCIPLINARY ACTION AND APPEAL
RIGHTS

ADMINISTRATIVE COMPLAINT FOR DISCIPLINARY ACTION

MARY YOUNG, Acting Deputy Commissioner of the NEVADA FINANCIAL INSTITUTIONS DIVISION of the DEPARTMENT OF BUSINESS AND INDUSTRY, STATE OF NEVADA (the "Division"), complains for disciplinary action against MHD Nevada Holdings, LLC dba: Fast Cash Title Loans ("Respondent"), as follows:

JURISDICTION

1. Pursuant to Nevada Revised Statutes ("NRS") Chapter 604A and Nevada Administrative Code ("NAC") Chapter 604A, the Division is vested with the exclusive and original jurisdiction over the regulation, business practices, licensing, examinations, and disciplinary action related to deferred deposit lending, high-interest lending, title lending, and check cashing services in Nevada. See generally NRS 604A.020-.030, 604A.050-.060, 604A.080, 604A.095-.110, 604A.200, 604A.300, 604A.400, 604A.600 and 604A.710.

2. The Division also has primary jurisdiction for the licensing and regulation of persons engaging in the business of lending in the State of Nevada where such lending is not governed by NRS Chapter 604A. See NRS 675.060. Under NRS 675.060, a person is

1 engaged in the business of lending in this state under NRS Chapters 604A and 675 if he (a)
2 solicits loans in this State or makes loans to persons in this State, unless these are
3 isolated, incidental or occasional transactions; or (b) is located in this State and solicits
4 loans outside of this State or makes loans to persons located outside of this State, unless
5 these are isolated, incidental or occasional transactions.

6 3. Respondent was licensed in Nevada by the Division to provide deferred deposit
7 loans, high interest loans, and/or check cashing service pursuant to NRS Chapter 604A
8 from January 25, 2011, until January 24, 2017. Respondent failed to timely renew said
9 license on January 24, 2017, and did not renew the same until March 20, 2017. As a
10 holder of a Chapter 604A license, Respondent is subject to the provisions of NRS Chapter
11 604A and NAC Chapter 604A.

12 4. The Division files this Complaint pursuant to NRS 604A.820 based upon the
13 matters asserted herein and seeks the relief set forth below.

14 FACTUAL ALLEGATIONS

15 GENERAL FACTS

16 5. Respondent is incorporated as a domestic corporation under the laws of
17 Nevada, and its resident agent is Southwest Business Advisors, Inc., located at 5858 S.
18 Pecos Road, Building I, Suite 600, Las Vegas, Nevada 89120.

19 6. Respondent is licensed by the Division to conduct the business of lending at
20 one (1) location in Nevada located at 5645 S. Eastern Avenue, Suite 4, Las Vegas, Nevada
21 89119. Because Respondent is a Nevada corporation with its address located in the State
22 of Nevada, it is therefore doing business in the State of Nevada.

23 7. On January 19, 2017, an examination was conducted upon the business
24 location.

25 8. Violations of NRS Chapter 604A and NAC Chapter 604A were discovered
26 during the examination.
27
28

1 9. Respondent was originally licensed on January 25, 2011, by the Division as a
2 deferred deposit, high-interest and/or title loan lender, pursuant to NRS Chapter 604A. As
3 the holder of a Chapter 604A license, Respondent is subject to the provisions of NRS
4 Chapter 604A and NAC Chapter 604A. Said license was not renewed on the renewal date
5 of January 24, 2017. The license was renewed and re-instated on March 20, 2017.
6 However, prior to reinstating the license, Respondent continued to engage in lending
7 activity thereby engaging in activity for which licensure is required pursuant to NRS Chapter
8 604A.

9 10. Respondent engaged in unlicensed activity from the date the license expired to
10 the re-instatement date, January 25, 2017 through March 20, 2017.

11 11. The Commissioner has reasonable cause to believe that Respondent is
12 knowingly and willfully violating, or is threatening to, or intends to violate provisions of NRS
13 Chapter 604A and/or NAC Chapter 604A, and that Respondent has knowingly and willfully
14 violated, threatened, or intended to violate provisions of NRS Chapter 604A and/or NAC
15 Chapter 604A.

16
17 **DISCIPLINE AUTHORIZED**

18 **CONCLUSIONS OF LAW**

19 12. The violations discovered during the examination conducted on January 19,
20 2017, include, but are not limited to, the following:

- 21 a. NRS 604A.440 as a repeat violation for underwriting loans with agreement
22 titled "Installment Loans and Security Agreement." Respondent offers single
23 payment 30 day title loans, not installment loans, therefore, the agreement is
24 wrongly advertised, and it is misleading to the public;
- 25 b. NRS 604A.410 as a repeat violation for failing to disclose the right of the
26 customer to rescind the loan. In addition, it does not include a disclosure
27
28

1 regarding the opportunity to enter into a repayment plan if the customer
2 defaults on the loan;

3 c. NRS 604A.075, NRS 604A.635, NRS 604A.740, NRS 658.098, NAC
4 604A.060; NAC 604A.070 and NAC 604A.100 for not paying all statutorily
5 required fees on time to renew the license;

6 d. NRS 604A.450, NRS 604A.700, and NAC 604A.200 for not maintaining
7 accurate books and records. Several customer files were discovered to have a
8 discrepancy in the original loan date and the fair market value date. It was
9 further discovered that Respondent does not take into consideration the
10 customer's ability to repay the title loan;

11 e. NRS 604A.645 for failing to inform the Division of a change of control and
12 transferring loan contracts to a different licensee.

13 **13. NRS 604A.400 provides:**

14
15 1. A person, including, without limitation, a person licensed to
16 Chapter 675 of NRS, shall not operate a check-cashing service,
17 deferred deposit loan service, high interest loan service or title loan
18 service unless the person is licensed with the Commissioner
19 pursuant to the provisions of this Chapter.

20 2. A person must have a license regardless of the location or
21 method that the person uses to operate such a service, including,
22 without limitation, at a kiosk, through the Internet, through any
23 telephone, facsimile machine or other telecommunication device or
24 through any other machine, network, system, device or means,
25 except that the person shall not operate such a service through any
26 automated loan machine in violation of the provisions of subsection
27 3. A person shall not operate a deferred deposit loan service or high
28 interest loan service through any automated loan machine, and the
Commissioner shall not issue a license that authorizes the licensee
to conduct business through any automated loan machine.

4. Any person, and any member, officer, director, agent or employee
thereof, who violates or participates in the violation of any provision
of this section is guilty of a misdemeanor.

1 14. The procedure for taking disciplinary action is as follows:

2 NRS 604A.820 Procedure for taking disciplinary action; authorized
3 disciplinary action; grounds.

4 1. If the Commissioner has reason to believe that grounds for
5 revocation or suspension of a license exist, he shall give 20 days'
6 written notice to the licensee stating the contemplated action and,
7 in general, the grounds therefore and set a date for a hearing.

8 2. At the conclusion of a hearing, the Commissioner shall:

9 (a) Enter a written order dismissing the charges, revoking the
10 license or suspending the license for a period of not more than 60
11 days, which period must include any prior temporary suspension.
12 The Commissioner shall send a copy of the order to the licensee
13 by registered or certified mail.

14 (b) Impose upon the licensee an administrative fine of not more
15 than \$10,000 for each violation by the licensee of any provision of
16 this chapter or any regulation adopted pursuant thereto.

17 (c) If a fine is imposed pursuant to this section, enter such order as
18 is necessary to recover the costs of the proceeding, including his
19 investigative costs and attorney's fees.

20 3. The grounds for revocation or suspension of a license are that:

21 (a) The licensee has failed to pay the annual license fee;

22 (b) The licensee, either knowingly or without any exercise of due
23 care to prevent it, has violated any provision of this chapter or any
24 lawful regulation adopted pursuant thereto;

25 (c) The licensee has failed to pay a tax as required pursuant to the
26 provisions of chapter 363A of NRS;

27 (d) Any fact or condition exists which would have justified the
28 Commissioner in denying the licensee's original application for a
29 license pursuant to the provisions of this chapter; or

30 (e) The licensee:

31 (1) Failed to open an office for the conduct of the business
32 authorized by his license within 180 days after the date his license
33 was issued; or

34 (2) Has failed to remain open for the conduct of the business for a
35 period of 180 days without good cause therefore.

36 4. Any revocation or suspension applies only to the license
37 granted to a person for the particular office for which grounds for
38 revocation or suspension exist.

39 5. An order suspending or revoking a license becomes effective 5
40 days after being entered unless the order specifies otherwise or a
41 stay is granted.

42 15. As stated above, Respondent has engaged in five (5) violations of NRS
43 Chapter 604A and NAC Chapter 604A.

1 16. The procedure for discipline of a licensee is established in NRS Chapter 604A.

2 17. Respondent has engaged in unlicensed activity either under NRS Chapter
3 604A or under NRS Chapter 675.

4 18. Respondent possessed the required license for its main location at 5645 S.
5 Eastern Avenue, Suite 4, Las Vegas, Nevada 89119 at the time of issuance of its original
6 license until January 24, 2017. However, Respondent failed to timely pay the fees to renew
7 the license that expired on January 24, 2017, and said mandatory fees were not paid until
8 March 20, 2017. Prior to paying the fees, Respondent was informed by the Division by both
9 verbal and written communications that the license had expired, and the outstanding fees
10 would need to be paid before the license could be renewed. Accordingly, any lending
11 activity that occurred during January 25, 2017, until March 20, 2017, was unlicensed, and
12 the unlicensed activity was willful pursuant to NRS 604A.900.

13 19. NRS Chapter 604A states the following remedies for willful violations of the
14 Chapter:

15 NRS 604A.900 Remedies for certain willful violations.

16 1. Except as otherwise provided in this section, if a licensee
17 willfully:

18 (a) Enters into a loan agreement for an amount of interest or any
19 other charge or fee that violates the provisions of this Chapter or
20 any regulation adopted pursuant thereto;

21 (b) Demands, collects or receives an amount of interest or any
22 other charge or fee that violates the provisions of this Chapter or
23 any regulation adopted pursuant thereto; or

24 (c) Commits any other act or omission that violates the provisions
25 of this Chapter or any regulation adopted pursuant thereto,

26 (d) the loan is void and the licensee is not entitled to collect,
27 receive or retain any principal, interest or other charges or fees
28 with respect to the loan.

2. The provisions of this section do not apply if:

(a) A licensee shows by a preponderance of the evidence that the
violation was not intentional and resulted from a bona fide error of
computation, notwithstanding the maintenance of procedures
reasonably adapted to avoid that error; and

1 (b) Within 60 days after discovering the error, the licensee notifies
2 the customer of the error and makes whatever adjustments in the
3 account are necessary to correct the error.

4 20. NRS Chapter 604A states the following remedies for conducting lending activity
5 without a license:

6 NRS 604A.910 Administrative fines for unlicensed activity

7 In addition to any other remedy or penalty, the Commissioner may
8 impose an administrative fine of not more than \$50,000 upon a
9 person who, without a license, conducts any business or activity
10 for which a license is required pursuant to the provisions of this
11 Chapter.

12 NRS 604A.920 Other remedies for unlicensed activity. If a
13 person operates a check-cashing service, deferred deposit loan
14 service, high-interest loan service or title loan service without
15 obtaining a license pursuant to this chapter:

16 1. Any contracts entered into by that person for the cashing of a
17 check or for a deferred deposit loan, high-interest loan or title loan
18 are voidable by the other party to the contract; and

19 2. In addition to any other remedy or penalty, the other party to
20 the contract may bring a civil action against the person pursuant to
21 NRS 604A.930.

22 NRS 604A.930 Civil action.

23 1. Subject to the affirmative defense set forth in subsection 3, in
24 addition to any other remedy or penalty, if a person violates any
25 provision of NRS 604A.400, 604A.410 to 604A.500, inclusive,
26 604A.610, 604A.615, 604A.650 or 604A.655 or any regulation
27 adopted pursuant thereto, the customer may bring a civil action
28 against the person for:

(a) Actual and consequential damages;

(b) Punitive damages, which are subject to the provisions of NRS
42.005;

(c) Reasonable attorney's fees and costs; and

(d) Any other legal or equitable relief that the court deems
appropriate.

2. Subject to the affirmative defense set forth in subsection 3, in
addition to any other remedy or penalty, the customer may bring a
civil action against a person pursuant to subsection 1 to recover an
additional amount, as statutory damages, which is equal to \$1,000
for each violation if the person knowingly:

(a) Operates a check-cashing service, deferred deposit loan
service, high-interest loan service or title loan service without a
license, in violation of NRS 604A.400;

1 (b) Fails to include in a loan agreement a disclosure of the right of
the customer to rescind the loan, in violation of NRS 604A.410;

2 (c) Violates any provision of NRS 604A.420;

3 (d) Accepts collateral or security for a deferred deposit loan, in
4 violation of NRS 604A.435, except that a check or written
authorization for an electronic transfer of money shall not be
deemed to be collateral or security for a deferred deposit loan;

5 (e) Uses or threatens to use the criminal process in this State or
any other state to collect on a loan made to the customer, in
6 violation of NRS 604A.440;

7 (f) Includes in any written agreement a promise by the customer
to hold the person harmless, a confession of judgment by the
8 customer or an assignment or order for the payment of wages or
other compensation due the customer, in violation of NRS
604A.440;

9 (g) Violates any provision of NRS 604A.485;

10 (h) Violates any provision of NRS 604A.490; or

11 (i) Violates any provision of NRS 604A.442.

12 3. A person may not be held liable in any civil action brought
pursuant to this section if the person proves, by a preponderance
of evidence, that the violation:

13 (a) Was not intentional;

14 (b) Was technical in nature; and

15 (c) Resulted from a bona fide error, notwithstanding the
16 maintenance of procedures reasonably adapted to avoid any such
17 error.

18 4. For the purposes of subsection 3, a bona fide error includes,
without limitation, clerical errors, calculation errors, computer
malfunction and programming errors and printing errors, except
19 that an error of legal judgment with respect to the person's
20 obligations under this chapter is not a bona fide error.

21 **21.** Further, the Division has the statutory authority to order that Respondent cease
22 and desist from any and all activity in violation of NRS Chapter 604A.

23 NRS 604A.810 Order to desist and refrain; action to enjoin
24 violation; appointment of receiver.

25 1. Whenever the Commissioner has reasonable cause to believe
26 that any person is violating or is threatening to or intends to violate
27 any provision of this Chapter, he may, in addition to all actions
provided for in this Chapter and without prejudice thereto, enter an
order requiring the person to desist or to refrain from such
violation.

28 2. The Attorney General or the Commissioner may bring an
action to enjoin a person from engaging in or continuing a violation

1 or from doing any act or acts in furtherance thereof. In any such
2 action, an order or judgment may be entered awarding a
3 preliminary or final injunction as may be deemed proper.

4 3. In addition to all other means provided by law for the
5 enforcement of a restraining order or injunction, the court in which
6 an action is brought may impound, and appoint a receiver for, the
7 property and business of the defendant, including books, papers,
8 documents and records pertaining thereto, or so much thereof as
9 the court may deem reasonably necessary to prevent violations of
10 this Chapter through or by means of the use of property and
11 business. A receiver, when appointed and qualified, has such
12 powers and duties as to custody, collection, administration,
13 winding up and liquidation of such property and business as may
14 from time to time be conferred upon him by the court.

15 22. The Commissioner has reasonable cause to believe that Respondent is or was
16 violating, or is or was threatening to, or intends or intended to violate provisions of NRS
17 Chapter 604A and NAC Chapter 604A.

18 23. The Commissioner believes that the actions by Respondent are or were willful
19 and intentional.

20 24. As all contracts were done in intentional violation of the law, all contracts
21 entered into by Respondent after the license expiration date of January 24, 2017, until the
22 license was renewed on March 20, 2017, are void, and Respondent "is not entitled to
23 collect, receive or retain any principal, interest or other charges or fees" from those
24 contracts pursuant to NRS 604A.900.

25 RELIEF SOUGHT

26 25. Based upon the allegations contained herein which constitute sufficient cause
27 for disciplinary action against the licensee pursuant to the provisions of NRS Chapter 604A
28 and NAC Chapter 604A, the Commissioner prays for relief as follows:

A. Respondent be fined a monetary sum pursuant to the
parameters defined at NRS 604A.820(2) and NRS 604A.910
for the violations stated herein;

- 1 B. That action be taken against Respondent's license pursuant to
2 the parameters defined at NRS604A.820(2) for the violations
3 stated herein;
4 C. That Respondent pays the costs of the proceeding, including
5 investigative costs, attorney's fees pursuant to the parameters
6 defined at NRS 604A.820(2);
7 D. That Respondent be ordered to desist and refrain from any and
8 all violations of NRS Chapter 604A and NAC Chapter 604A;
9 E. That Respondent's willful violations result in a finding that the
10 loans made and any lending activity conducted on new or
11 existing loans from January 25, 2017, to March 20, 2017, are
12 void pursuant to NRS 604A.900, and further, that Respondent
13 immediately remit to each and every customer all principal,
14 interest charges, and fees received from such contracts,
15 immediately remove liens and return vehicle titles received as
16 collateral for new title loans issued during this period, and
17 cease and desist from any and all collection efforts based upon
18 those contracts for the loans made during this period; and
19 F. For such other and further relief as the Administrative Law
20 Judge may deem just and proper.

21 DATED this 10th day of May 2017.

22 STATE OF NEVADA
23 DEPARTMENT OF BUSINESS AND INDUSTRY
24 FINANCIAL INSTITUTIONS DIVISION

25 By: 

26 MARY YOUNG
27 Acting Deputy Commissioner
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESPONSE

THEREFORE, Respondent is directed to answer in writing the Administrative Complaint for Disciplinary Action within ten (10) calendar days from service and to serve the same upon the undersigned Deputy Attorney General.

APPEAL RIGHTS

RESPONDENT HAS THE RIGHT TO REQUEST A HEARING IN THIS MATTER. If you wish to request a hearing you must file a request **within thirty (30) days** after this Administrative Complaint was served on the Respondent.

Your request for a hearing must be delivered to:

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION
3300 W. Sahara, Suite 250
LAS VEGAS, NEVADA 89102

Other important rights you have are listed in Nevada Revised Statutes Chapters 604A and 233B and the Nevada Administrative Code Chapter 604A.

DATED this 10th day of May, 2017.

STATE OF NEVADA
DEPARTMENT OF BUSINESS
AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

By:



MARY YOUNG
Acting Deputy Commissioner

CERTIFICATE OF SERVICE

1
2 I certify that I am an employee of the State of Nevada, Office of the Attorney General,
3 and that on 10th day of May 2017, I deposited in the U.S. mail, postage prepaid, via First
4 Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing
5 **ADMINISTRATIVE COMPLAINT FOR DISCIPLINARY ACTION AND NOTICE OF HEARING,**
6 addressed as follows:

7
8 MHD Nevada Holdings, LLC
9 dba: Fast Cash Title Loans
10 Attention: Michael DiChario and/or Jayson Black
11 5645 S. Eastern Avenue, Suite 4
12 Las Vegas, NV 89119

13 Certified Mail: 7012 1010 0000 1168 6963

14 MHD Nevada Holdings, LLC
15 C/O: Southwest Business Advisors, Inc.
16 5858 S. Pecos Road, Building I, Suite 600
17 Las Vegas, Nevada 89120

18 Certified Mail: 7012 1010 0000 1168 6970

19 DATED this 10th day of May, 2017.

20 
21 By: Anna Embrador