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Las Vegas, Nevada 89102
(702) 486-4120

**STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION**

1830 E College Parkway, Suite 100
Carson City, Nevada 89706
(775) 684-2970

In Re:

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

Respondent.

**ORDER TO CEASE AND DESIST
VIOLATIONS OF NRS 604A AND NAC
604A AND UNLICENSED ACTIVITY;
APPEAL RIGHTS**

**ORDER TO CEASE AND DESIST
VIOLATIONS OF NRS 604A AND NAC 604A ACTIVITIES**

The State of Nevada, Department of Business and Industry, Financial Institutions Division (hereinafter "Division") hereby orders MHD Nevada Holdings, LLC dba: Fast Cash Title Loans (hereafter "Respondent") to cease and desist from any and all activities that are in violation of Chapter 604A of the Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC").

JURISDICTION

1. Deferred deposit loan services, high interest loan services, title loan services and check cashing services in the State of Nevada are governed by NRS Chapter 604A and NAC Chapter 604A. The Division has primary jurisdiction for the licensing and regulation of persons operating and/or engaging in deferred deposit loan service, high interest loan service, title loan service and check cashing service activities or persons seeking to evade the application of NRS Chapter 604A. 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

1 not governed by NRS Chapter 604A. See NRS 675.060. Under NRS 675.060, a person is
2 engaged in the business of lending in this state under NRS Chapters 604A and 675 if he (a)
3 solicits loans in this State or makes loans to persons in this State, unless these are isolated,
4 incidental or occasional transactions; or (b) is located in this State and solicits loans outside
5 of this State or makes loans to persons located outside of this State, unless these are
6 isolated, incidental or occasional transactions.

7 3. Pursuant to the authority vested by NRS Chapters 604A and 675, the Division
8 hereby makes the following Findings of Fact, Conclusions of Law, and Order.

9 **FINDINGS OF FACT**

10 4. Respondent is registered under the laws of the State of Nevada, and its resident
11 agent is Southwest Business Advisors, Inc., located at 5858 S. Pecos Road, Building I, Suite
12 600, Las Vegas, Nevada 89120.

13 5. Respondent operates the business of lending at the following location: 5645 S.
14 Eastern Avenue, Suite 4, Las Vegas, Nevada 89119.

15 6. Respondent is a Nevada corporation with its address located in the State of
16 Nevada, and is therefore doing business in the State of Nevada.

17 7. On January 19, 2017, an examination was conducted upon the Respondent's
18 business location.

19 8. Violations of NRS Chapter 604A and NAC Chapter 604A were discovered
20 during the examination.

21 9. If any finding of fact is more properly characterized as a conclusion of law, it
22 shall be construed as such.

23 **CONCLUSIONS OF LAW**

24 10. The violations discovered during the examination conducted on January 19,
25 2017, include, but are not limited to, the following:

26 a. NRS 604A.440 as a repeat violation for underwriting loans with agreement
27 titled "Installment Loans and Security Agreement." The Respondent offers single
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1 payment 30 day title loans, not installment loans, therefore, the agreement is wrongly
2 advertised, and it is misleading to the public;

3 b. NRS 604A.410 as a repeat violation for failing to disclose the right of the
4 customer to rescind the loan. In addition, the loan agreement does not include a
5 disclosure regarding the opportunity to enter into a repayment plan if the customer
6 defaults on the loan;

7 c. NRS 604A.075, NRS 604A.635, NRS 604A.740, NRS 658.098, NAC
8 604A.060, NAC 604A.070 and NAC 604A.100 for not paying all statutorily required
9 fees on time to renew the license.

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

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

17 11. NRS 604A.400 provides:

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

23 2. A person must have a license regardless of the location or
24 method that the person uses to operate such a service, including,
25 without limitation, at a kiosk, through the Internet, through any
26 telephone, facsimile machine or other telecommunication device
27 or through any other machine, network, system, device or means,
28 except that the person shall not operate such a service through
any automated loan machine in violation of the provisions of
subsection 3.

3. A person shall not operate a deferred deposit loan service or
high 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.

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

4 12. The procedure for taking disciplinary action is as follows:

5 NRS 604A.820 Procedure for taking disciplinary action; authorized
6 disciplinary action; grounds.

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

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

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

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

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

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

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

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

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

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

(e) The licensee:

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

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

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

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

1 13. As stated above, Respondent has engaged in five (5) violations of NRS Chapter
2 604A and NAC Chapter 604A.

3 14. The procedure for discipline of a licensee is established in NRS Chapter 604A.

4 15. Respondent has engaged in unlicensed activity either under NRS Chapter 604A or
5 under NRS Chapter 675.

6 16. Respondent possessed the required license for its main location at 5645 S.
7 Eastern Avenue, Suite 4, Las Vegas, Nevada 89119 from January 25, 2011, until
8 January 24, 2017. However, the Respondent failed to timely pay the fees to renew the
9 license that expired on January 24, 2017, and said mandatory fees were not paid until
10 March 20, 2017. Prior to paying the fees, the Respondent was informed by the Division
11 by both verbal and written communications that the license had expired, and the
12 outstanding fees would need to be paid before the license could be renewed.
13 Accordingly, any lending activity that occurred from January 25, 2017 until March 20,
14 2017, was unlicensed, and the unlicensed activity was willful pursuant to NRS
15 604A.900.

16 17. NRS Chapter 604A states the following remedies for willful violations of the
17 Chapter:

NRS 604A.900 Remedies for certain willful violations.

18 1. Except as otherwise provided in this section, if a licensee
19 willfully:

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

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

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

28 (d) the loan is void and the licensee is not entitled to collect,
receive or retain any principal, interest or other charges or fees
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 18. 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;
- (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;
- (c) Violates any provision of NRS 604A.420;

1 (d) Accepts collateral or security for a deferred deposit loan, in
2 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;

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

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

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

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

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

11 3. A person may not be held liable in any civil action brought
12 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
error.

17 4. For the purposes of subsection 3, a bona fide error includes,
18 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
obligations under this chapter is not a bona fide error.

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

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

24 1. Whenever the Commissioner has reasonable cause to believe
25 that any person is violating or is threatening to or intends to violate
26 any provision of this Chapter, he may, in addition to all actions
provided for in this Chapter and without prejudice thereto, enter an
27 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
or from doing any act or acts in furtherance thereof. In any such
action, an order or judgment may be entered awarding a
preliminary or final injunction as may be deemed proper.

3. In addition to all other means provided by law for the
enforcement of a restraining order or injunction, the court in which
an action is brought may impound, and appoint a receiver for, the

1 property and business of the defendant, including books, papers;
2 documents and records pertaining thereto, or so much thereof as
3 the court may deem reasonably necessary to prevent violations of
4 this Chapter through or by means of the use of property and
5 business. A receiver, when appointed and qualified, has such
6 powers and duties as to custody, collection, administration,
7 winding up and liquidation of such property and business as may
8 from time to time be conferred upon him by the court.

9 20. The Commissioner has reasonable cause to believe that Respondent is or was
10 violating, or is or was threatening to, or intends or intended to violate provisions of NRS
11 Chapter 604A and NAC Chapter 604A.

12 21. The Commissioner believes that the actions by Respondent are or were willful
13 and intentional.

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

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ORDER

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2 IT IS HEREBY ORDERED that Respondent shall **CEASE AND DESIST** from operating
3 and/or engaging in deferred deposit loan service, high interest loan service, title loans or other
4 lending activity in violation of NRS Chapters 604A and NAC Chapter 604A at the unlicensed
5 location at 5645 S. Eastern Avenue, Suite 4, Las Vegas, Nevada 89119 until the license is
6 renewed and active.

7 IT IS FURTHER ORDERED that Respondent shall immediately **CEASE AND DESIST**
8 any and all additional violations of NRS Chapter 604A and NAC Chapter 604A, and
9 Respondent shall immediately rectify any and all violations of NRS Chapter 604A and NAC
10 604A specifically stated herein.

11 IT IS FURTHER ORDERED that the Respondent:

12 a. Void all new loan contracts made by Respondent from January 25, 2017, until March
13 20, 2017, and immediately remit to each and every customer all principal, interest and
14 charges received from any contracts during this period, immediately remove liens and return
15 all vehicle titles received as collateral for new title loans issued during this period, and cease
16 and desist from any and all collection efforts based upon any contracts issued during this
17 period;

18 b. Pay an administrative fine in the amount of \$50,000.00, which is due and owing
19 thirty (30) days from the date of this Order. The Respondent has the right to request a hearing
20 within thirty (30) days of the date of receipt of the order. If a hearing is requested, the
21 payment of any administrative fine must be made pursuant to any order by the designated
22 Administrative Law Judge ("ALJ"). The Respondent shall pay the costs of the proceeding,
23 including investigative costs and attorney's fees pursuant to NRS 604A.820(2); and

24 c. Respondent shall also comply with any additional disciplinary measures the ALJ may
25 deem necessary, should the matter proceed to a hearing.

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1 DATED this 10th day of May, 2017.

2 STATE OF NEVADA
3 DEPARTMENT OF BUSINESS AND INDUSTRY
4 FINANCIAL INSTITUTIONS DIVISION

5 By: 

6 MARY YOUNG
7 Acting Deputy Commissioner
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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 Order to Cease and Desist was served on the Respondent.

Your request for a hearing must be delivered to:

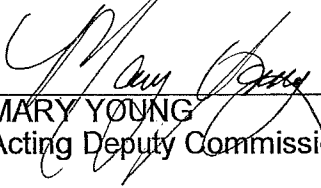
FINANCIAL INSTITUTIONS DIVISION
DEPARTMENT OF BUSINESS AND INDUSTRY
3300 W. Sahara Avenue, Suite 250
Las Vegas, Nevada 89102

Other important rights you have are listed in Nevada Revised Statutes Chapters 675 and 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

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2 **CERTIFICATE OF SERVICE**

3 I certify that I am an employee of the State of Nevada, Department of Business and
4 Industry, Financial Institutions Division, and that on May 10, 2017, I deposited in the U.S.
5 mail, postage prepaid, via First Class Mail and Certified Return Receipt Requested, a true
6 and correct copy of the foregoing **ORDER TO CEASE AND DESIST VIOLATIONS OF NRS**
7 **CHAPTER 604A and NAC 604A and UNLICENSED ACTIVITIES**, addressed as follows:


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

14 7012 1010 0000 1168 6949

15
16 MHD Nevada Holdings, LLC
17 C/O: Southwest Business Advisors, Inc.
18 5858 S. Pecos Road, Building I, Suite 600
19 Las Vegas, Nevada 89120

20 7012 1010 0000 1168 6956

21 DATED this 10th day of May, 2017

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By:  Anna Embrador