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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 THE MATTER OF: )

Finex Capital Group, LLC )  
dba: LoanEx, )

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 Finex Capital Group, LLC dba: LoanEx ("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 title loans,  
7 deferred deposit loans, and/or high interest loans pursuant to NRS Chapter 604A from  
8 November 15, 2005 until December 14, 2017 at the main location, and from November 15,  
9 2005 until December 21, 2017 at the branch location. Respondent failed to timely renew  
10 said licenses, and submitted an incomplete renewal application by failing to pay all  
11 statutorily required fees and assessments and did not submit a valid surety bond. As a  
12 holder of a Chapter 604A license, Respondent is subject to the provisions of NRS Chapter  
13 604A and NAC Chapter 604A.

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

## 16 FACTUAL ALLEGATIONS

### 17 **GENERAL FACTS**

18 5. On or about November 15, 2005, Respondent was granted a license pursuant  
19 to NRS Chapter 604A authorizing Respondent to provide title loans, deferred deposit loans,  
20 and/or high-interest loans (hereinafter, "lending activities") in the State of Nevada.

21 6. Paul M. Altieri and John Grewell are the owners of the Respondent.

22 7. Respondent is registered under the laws of the State of Nevada, and its resident  
23 agent is Cogency Global, Inc. located at 321 W. Winnie Lane #104, Carson City, Nevada  
24 89703.

25 8. Respondent operates its lending activities at the following locations: 8565 W.  
26 Sahara Avenue, Suite 112, Las Vegas, Nevada 89117 and 5514 Camino Al Norte, Suite A3,  
27  
28

1 North Las Vegas, Nevada 89031. Respondent is a Nevada corporation with its address  
2 located in the State of Nevada, and is therefore doing business in the State of Nevada.

3 9. On or about February 21, 2017, Respondent cancelled its statutorily required  
4 surety bond and failed to notify the Division.

5 10. On or about December 7, 2017, an examination was conducted at the  
6 Respondent's business locations. Multiple violations of NRS Chapter 604A and NAC  
7 Chapter 604A were discovered during said examination.

8 11. Respondent's license for the main location and branch location expired on  
9 December 14, 2017, and December 21, 2017, respectively.

10 12. On or about January 3, 2018, Respondent submitted an incomplete renewal  
11 application by failing to pay all statutorily required fees and assessments.

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

### 14 DISCIPLINE AUTHORIZED

#### 15 **CONCLUSIONS OF LAW**

16  
17 14. During the aforementioned examination, Respondent was discovered to have  
18 violated the following statutes and regulations:

19 a. NRS 604A.610 for operating its lending activities without a valid surety bond for the  
20 statutorily required amount of \$55,000, which consist of \$50,000 for the main location and  
21 \$5,000 for the branch;

22 b. NRS 604A.640 for failing to renew the license in a timely manner and not paying all  
23 statutorily required fees and assessments required to renew. Respondent continues to  
24 conduct lending activities without an active license;

25 c. NAC 604A.090 for failing to pay the statutorily required assessment for the certified  
26 public accountant as required by NRS 658.055(2);  
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1 d. NRS 604A.750 for failing to submit the statutorily required annual report of financial  
2 condition; and

3 e. NRS 604A.740 for failing to pay the prior annual examination bill in a timely manner.

4 15. The procedures for discipline of a licensee as well as for unlicensed activity are  
5 established in NRS Chapter 604A.

6 16. Pursuant to NRS 604A.810, the Division has the statutory authority to order that  
7 Respondent cease and desist from any and all activity in violation of NRS Chapter 604A and  
8 NAC Chapter 604A. The procedures for taking disciplinary action are as follows:

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

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

17 2. The Attorney General or the Commissioner may bring an  
18 action to enjoin a person from engaging in or continuing a violation  
19 or from doing any act or acts in furtherance thereof. In any such  
20 action, an order or judgment may be entered awarding a  
21 preliminary or final injunction as may be deemed proper.

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

23 NRS 604A.820 Procedure for taking disciplinary action; authorized  
24 disciplinary action; grounds.

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

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

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

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

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

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

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

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

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

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

20 (e) The licensee:

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

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

26 4. Any revocation or suspension applies only to the license  
27 granted to a person for the particular office for which grounds for  
28 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.

NRS 604A.830 Additional grounds for disciplinary action. In  
addition to any other lawful reasons, the Commissioner may  
suspend or revoke a license if the licensee has engaged in any act  
that would be grounds for denying a license pursuant to this  
chapter.

NRS 604A.910 Administrative fines for unlicensed activity. In  
addition to any other remedy or penalty, the Commissioner may  
impose an administrative fine of not more than \$50,000 upon a  
person who, without a license, conducts any business or activity  
for which a license is required pursuant to the provisions of this  
chapter.

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

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

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

11 NRS 604A.930 Civil action.

12 1. Subject to the affirmative defense set forth in subsection 3, in  
13 addition to any other remedy or penalty, if a person violates any  
14 provision of NRS 604A.400, 604A.410 to 604A.500, inclusive,  
15 604A.610, 604A.615, 604A.650 or 604A.655 or any regulation  
16 adopted pursuant thereto, the customer may bring a civil action  
17 against the person for:

18 (a) Actual and consequential damages;

19 (b) Punitive damages, which are subject to the provisions of NRS  
20 42.005;

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

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

24 2. Subject to the affirmative defense set forth in subsection 3, in  
25 addition to any other remedy or penalty, the customer may bring a  
26 civil action against a person pursuant to subsection 1 to recover an  
27 additional amount, as statutory damages, which is equal to \$1,000  
28 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;

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

(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  
violation of NRS 604A.440;

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

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

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

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

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

7 (a) Was not intentional;

8 (b) Was technical in nature; and

9 (c) Resulted from a bona fide error, notwithstanding the  
10 maintenance of procedures reasonably adapted to avoid any such  
11 error.

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

17 17. As stated above, Respondent has engaged in at least five (5) violations of NRS  
18 Chapter 604A and NAC Chapter 604A.

19 18. Accordingly, the Commissioner has reasonable cause to believe that Respondent  
20 is or was violating, or is or was threatening to, or intends or intended to violate provisions of  
21 NRS Chapter 604A and NAC Chapter 604A.

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RELIEF SOUGHT

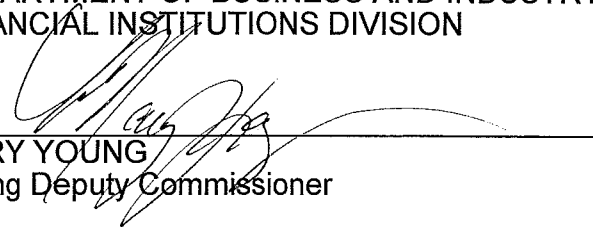
19. Based upon the allegations contained herein which constitute sufficient cause for disciplinary action against the licensee pursuant to the provisions of NRS Chapter 604A and NAC Chapter 604A, the Commissioner prays for relief as follows:

- 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. Total fine amount of \$100,000 (\$10,000 for each of the five (5) violations cited in the examination for a total of \$50,000 and \$50,000 for unlicensed activity);
- B. That action be taken against Respondent's license pursuant to the parameters defined at NRS604A.820(2) for the violations stated herein;
- C. That Respondent pays the costs of the proceeding, including investigative costs, attorney's fees pursuant to the parameters defined at NRS 604A.820(2);
- D. That Respondent be ordered to desist and refrain from any and all violations of NRS Chapter 604A and NAC Chapter 604A;
- E. That Respondent's willful violations result in a finding that the loans made and any lending activity conducted on new or existing loans from December 14, 2017 until a valid license is obtained, are void pursuant to NRS 604A.900, and further, that Respondent immediately remit to each and every customer all principal, interest charges, and fees received from such contracts, immediately remove liens and return vehicle titles received as collateral for new title loans issued during this period, and cease and desist from any and all collection efforts based upon those contracts for the loans made during this period; and
- F. For such other and further relief as the Administrative Law Judge may deem just and proper.

DATED this 9<sup>th</sup> day of February 2018.

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
FINANCIAL INSTITUTIONS DIVISION

By:

  
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MARY YOUNG  
Acting Deputy Commissioner



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**RESPONSE**

THEREFORE, Respondent is directed to answer, in writing, to the Administrative Complaint for Disciplinary Action **within thirty (30) calendar days** from date of receipt.

**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   9<sup>th</sup>   day of February 2018.

STATE OF NEVADA  
DEPARTMENT OF BUSINESS  
AND INDUSTRY  
FINANCIAL INSTITUTIONS DIVISION

By: 

\_\_\_\_\_  
MARY YOUNG  
Acting Deputy Commissioner

**CERTIFICATE OF SERVICE**

I certify that I am an employee of the State of Nevada, Financial Institutions Division,  
and that on 9th day of February 2018, I deposited in the U.S. mail, postage prepaid,  
via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the  
foregoing **ADMINISTRATIVE COMPLAINT FOR DISCIPLINARY ACTION AND NOTICE OF  
HEARING**, addressed as follows:

Finex Capital Group, LLC  
dba: LoanEx  
Attention: Paul M. Altieri and/or John Grewell  
8565 W. Sahara Avenue, Suite 112  
Las Vegas, Nevada 89117

Certified Mail: 701 2870 0001 8494 7662

Finex Capital Group, LLC  
dba: LoanEx  
Attention: Paul M. Altieri and/or John Grewell  
5514 Camino Al Norte, Suite A3  
North Las Vegas, Nevada 89031

Certified Mail: 7014 2870 0001 8494 7679

Finex Capital Group, LLC  
dba: LoanEx  
C/O: Cogency Global Inc.  
321 W. Winnie Lane # 104  
Carson City, Nevada 89703

Certified Mail: 7014 2870 0001 8494 7686

DATED this 9th day of February 2018.

By: 