



# OFFICE OF THE ATTORNEY GENERAL

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**FOR IMMEDIATE RELEASE**

**Date: April 13, 2012**

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## **NEVADA ATTORNEY GENERAL ANNOUNCES ARREST IN MORTGAGE LOAN MODIFICATION SCAM**

**Las Vegas, NV** – Nevada Attorney General Catherine Cortez Masto announced today the arrest of Stephen Vitalich, 46, on charges of theft.

The criminal complaint filed by the Attorney General alleges Vitalich, doing business as Consumer Loan Excellence of America, LLC or NBMS of America, LLC, promised clients he would obtain mortgage loan modifications that would substantially reduce clients' monthly mortgage payments. The complaint further alleges that after collecting large advance fees, Vitalich performed no substantive work on his clients' behalf and eventually disappeared with their money.

Vitalich, who was arrested Thursday, is charged with one count of theft of obtaining money in the amount of \$2,500 or more from a person 60 years of age or older, two counts of theft of obtaining money in the amount of \$2,500 or more, and one count of theft of obtaining money in the amount of \$250 or more.

"Nevadans continue to struggle with the economic downturn which has wreaked havoc on our state's housing market," said Masto. "Some homeowners will do anything they can to stay in their home, including unknowingly turning to predators. I hope this prosecution serves as a warning to other would be predators to think twice taking advantage of Nevada homeowners."

In early 2010, the Attorney General's office launched an investigation of Consumer Loan Excellence of America in response to numerous consumer complaints filed with the office. The case was investigated and is being prosecuted by the Attorney General's Bureau of Criminal Justice Fraud Unit.

An initial hearing in Department 8 of the Justice Court of Las Vegas Township is scheduled for April 16. Vitalich was booked in the Clark County Detention Center.

Remember that homeowners should never pay up front fees to reduce their loans. Help is free and generally speaking, no one should pay for assistance. Nevadans who face mortgage difficulties should instead contact a non-profit housing counselor, either through [www.HUD.gov](http://www.HUD.gov) or a local non-profit housing clinic, to learn about the mortgage process and their rights as homeowners.

The criminal complaint is a formal allegation that the defendant has committed a crime. It is not evidence of guilt. The defendant is presumed innocent until proven guilty in a court of law.

Anyone who has information regarding this case or to report loan modification scam can contact the Attorney General's Bureau of Consumer Protection Hotline at 702-486-3132. Once connected press "0" to receive instructions on how to submit a complaint.

Read the criminal complaint by visiting: <http://bit.ly/VitalichComplaint>.



**VITALICH, STEPHEN ROBEL**

*(Photo courtesy of Las Vegas Metropolitan Police Department)*

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JUSTICE COURT  
LAS VEGAS, NEVADA  
BY \_\_\_\_\_ DEPUTY

9  
10 **IN THE JUSTICE COURT OF LAS VEGAS TOWNSHIP**  
11 **CLARK COUNTY, NEVADA**

12 THE STATE OF NEVADA, )  
13 Plaintiff, )  
14 vs. )  
15 STEPHEN VITALICH, ID#1488837 )  
d/b/a CONSUMER LOAN EXCELLENCE OF )  
16 AMERICA, LLC and/or )  
NBMS OF AMERICA, LLC )  
17 Defendant, )  
18

Case No.: 11F05061X

Dept. No.: 8

**CRIMINAL COMPLAINT**

19 The undersigned, CATHERINE CORTEZ MASTO, Attorney General of the State of  
20 Nevada, by and through Deputy Attorney General Jeffrey H. Segal and Deputy Attorney  
21 General Adriana Escobar, complains and charges the above named **STEPHEN VITALICH**  
22 (hereinafter "VITALICH"), d/b/a **CONSUMER LOAN EXCELLENCE OF AMERICA, LLC**  
23 (hereinafter "CLEA") and/or **NBMS OF AMERICA, LLC** (hereinafter "NBMS"), with having  
24 committed the crimes of one (1) Count of **THEFT – OBTAINING MONEY IN THE AMOUNT**  
25 **OF \$2,500.00 OR MORE BY A MATERIAL MISREPRESENTATION FROM A PERSON 60**  
26 **YEARS OF AGE OR OLDER**, a category B felony, in violation of NRS 205.0832(1)(c) and  
27 NRS 205.0835(4) and NRS 193.167(1); two (2)

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1 Counts of **THEFT – OBTAINING MONEY IN THE AMOUNT OF \$2,500.00 OR MORE BY A**  
2 **MATERIAL MISREPRESENTATION**, a category B felony, in violation of NRS 205.0832(1)(c)  
3 and NRS 205.0835(4); and one (1) Count of **THEFT – OBTAINING MONEY IN THE**  
4 **AMOUNT OF \$250.00 OR MORE BY A MATERIAL MISREPRESENTATION FROM A**  
5 **PERSON 60 YEARS OF AGE OR OLDER**, a category C felony, in violation of NRS  
6 205.0832(1)(c) and NRS 205.0835(3) and NRS 193.167(1); between on or about March, 2009  
7 and July 2009, at and within the Township of Las Vegas, County of Clark, State of Nevada in  
8 the following manner:

9 **COUNT I**  
10 **THEFT – OBTAINING MONEY IN THE AMOUNT OF \$2,500.00 OR**  
11 **MORE BY A MATERIAL MISREPRESENTATION FROM A**  
12 **PERSON 60 YEARS OF AGE OR OLDER**

13 **A Category B Felony – NRS 205.0832(1)(c), NRS 205.0835(4), NRS 193.167(1)**

14 On or about April 8, 2009 and continuing thereafter through June 2009, **VITALICH**  
15 within the County of Clark, State of Nevada, did then and there by individually and/or by and  
16 through his agents, without lawful authority, knowingly obtained real, personal or intangible  
17 property or the services of another, by a material misrepresentation from a person 60 years of  
18 age or older with the intent to deprive that person of the value of property or services valued at  
19 \$2,500.00 or more to wit:

20 **VITALICH** obtained combined payments of \$7,495.00 from **ANACLETO NUVAL** (DOB:  
21 July 13, 1946) and **EDNA NUVAL** (DOB: March 13, 1946) (hereinafter after "NUVALS") with  
22 intent to deprive them of the money, by material misrepresentations, including, but not limited  
23 to, one or more of the following:

24 On or about April 8, 2009, **VITALICH** promised the **NUVALS** he would negotiate a loan  
25 modification for their primary residence and two investment properties in return for a fee of  
26 \$7,495.00. **EDNA NUVAL** paid **VITALICH** \$1,495.00 by checks written to **NBMS** for  
27 **VITALICH** to begin the work he promised on their three properties.

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1 VITALICH guaranteed EDNA NUVAL that he would obtain a loan modification on  
2 favorable terms that would significantly lower her monthly mortgage payments within three to  
3 four months;

4 On or about April 17, 2009, VITALICH told EDNA NUVAL that negotiations with their  
5 loan servicer were going well, at which time EDNA NUVAL paid VITALICH the remaining  
6 \$6,000.00 balance he charged for his services in checks written to CLEA.

7 On or about May 8, 2009, EDNA NUVAL telephoned VITALICH for an update.  
8 VITALICH told her that negotiations for her loan modification were going well.

9 On or about May 21, 2009, EDNA NUVAL again telephoned VITALICH for an update.  
10 VITALICH told her that he would be receiving "final approval" for her three loan modifications  
11 in a week.

12 On or about June 3, 2009, to June 17, 2009, the NUVALS made several attempts to  
13 contact VITALICH. He did not return telephone messages, his office was locked and vacant  
14 and his telephone was disconnected. Neither VITALICH nor any representative from  
15 CLEA/NBMS made attempts to contact the NUVALS. VITALICH failed to perform the  
16 services he promised and failed to refund the \$7,495 fees he was paid.

17 VITALICH never contacted the mortgage loan servicer, Chase Bank, nor did he perform  
18 any other work on the case. VITALICH failed to perform any of the promised services, failed  
19 to obtain a loan modification and failed to give a refund. The promises of work were therefore  
20 material misrepresentations and the money collected was taken with the intent to deprive.

21 ANACLETO NUVAL and EDNA NUVAL were each sixty (60) years of age or older at all  
22 relevant times herein.

23 All of which constitutes the crime of **THEFT – OBTAINING MONEY IN THE AMOUNT**  
24 **OF \$2,500.00 OR MORE BY A MATERIAL MISREPRESENTATION FROM A PERSON 60**  
25 **YEARS OF AGE OR OLDER**, a category B felony, in violation of NRS 205.0832(1)(c) and  
26 NRS 205.0835(4) and NRS 193.167(1).

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COUNT II  
THEFT – OBTAINING MONEY IN THE AMOUNT OF \$2,500.00 OR MORE BY A MATERIAL MISREPRESENTATION

**A Category B Felony – NRS 205.0832(1)(c), NRS 205.0835(4)**

On or about March 7, 2009 and continuing thereafter through July 2009, **VITALICH**, within the County of Clark, State of Nevada, did then and there by individually and/or by and through his agents, without lawful authority, knowingly obtained real, personal or intangible property or the services of another, by a material misrepresentation with the intent to deprive that person of the value of property or services valued at \$2,500 or more to wit:

**VITALICH** obtained \$3,150 from **MARLEN ANDRES** (hereinafter “**ANDRES**”) with intent to deprive her of the money, by one or more material misrepresentations, including, but not limited to, one or more of the following:

On or about March 7, 2009, **VITALICH** promised **ANDRES** that he would negotiate a loan modification in return for a fee of \$3,150.00 which **ANDRES** paid;

**VITALICH** guaranteed **ANDRES** he would obtain a loan modification for her primary residence that would lower her monthly mortgage payments from \$2,500.00 to \$1,400.00 within three months;

**VITALICH** told **ANDRES** that he maintained an attorney on staff who would be available to work on **ANDRES**' behalf;

**ANDRES** made an initial payment to **VITALICH** of \$2,000.00 for **VITALICH** to begin the work he promised on her property;

On or about April 24, 2009, **VITALICH** told **ANDRES** that negotiations with her loan servicer were going well and that she would have her loan modification by the “summer time”, at which time **ANDRES** paid **VITALICH** \$750.00 towards the balance he charged for his services.

On or about May 26, 2009, **ANDRES** went to the **CLEA/NBMS** office and paid **VITALICH** the final payment of \$400.00 and asked him an update on the status of her loan modification. **VITALICH** told her that the modification should be completed soon and told **ANDRES** to follow up in one week.

1 On or about June 7, 2009, to July 12, 2009, ANDRES made several attempts to contact  
2 **VITALICH**. He did not return her telephone message and her other calls went unanswered,  
3 his office was locked and vacant and his telephone was disconnected. Neither **VITALICH** nor  
4 any representative from **CLEA/NBMS** made attempts to contact ANDRES. **VITALICH** failed  
5 to perform the services he promised and failed to refund the \$3,150.00 fees he was paid.

6 **VITALICH** failed to perform any of the promised services, failed to obtain a loan  
7 modification and failed to give a refund. The promises of work were therefore material  
8 misrepresentations and the money collected was taken with the intent to deprive.

9 All of which constitutes the crime of **THEFT – OBTAINING MONEY IN THE AMOUNT**  
10 **OF \$2,500.00 OR MORE BY A MATERIAL MISREPRESENTATION**, a category B felony, in  
11 violation of NRS 205.0832(1)(c) and NRS 205.0835(4).

12 **COUNT III**  
13 **THEFT – OBTAINING MONEY IN THE AMOUNT OF \$2,500.00 OR**  
14 **MORE BY A MATERIAL MISREPRESENTATION**

15 **A Category B Felony – NRS 205.0832(1)(c), NRS 205.0835(4)**

16 On or about April 17, 2009 and continuing thereafter through July 2009, **VITALICH**,  
17 within the County of Clark, State of Nevada, did then and there by individually and/or by and  
18 through his agents, without lawful authority, knowingly obtained real, personal or intangible  
19 property or the services of another, by a material misrepresentation with the intent to deprive  
20 that person of the value of property or services valued at \$2,500.00 or more to wit:

21 **VITALICH** obtained \$3,000.00 from SAMUEL DOLLENTE and JULIE DOLLENTE  
22 (hereinafter "DOLLENTEs") with intent to deprive them of the money by material  
23 misrepresentations, including, but not limited to, one or more of the following:

24 On or about April 17, 2009, **VITALICH** guaranteed the DOLLENTEs that he would  
25 obtain a loan modification or other loan restructure on favorable terms that would significantly  
26 lower their monthly mortgage payments from \$1,300.00 TO \$700.00 within two to three  
27 months;

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1           **VITALICH** promised that in return for a fee of \$3,000.00 he would negotiate a loan  
2 modification for their primary residence. **JULIE DOLLENTE** paid **VITALICH** the fee as  
3 **requested**. On or about May 19, 2010, **DOLLENTE** telephoned **VITALICH** to check on her  
4 status of the loan modification. **VITALICH** told her that negotiations with her loan servicer  
5 were going well and to check back in about four weeks.

6           On or about June 23, 2009, **DOLLENTE** again telephoned **VITALICH** to check on the  
7 status and again **VITALICH** told her that the process should be completed any day and that  
8 the process should be completed within two weeks.

9           On or about July 12, 2009, and several times thereafter, **DOLLENTE** again telephoned  
10 **VITALICH** but the calls went unanswered.

11           On or about July 20, 2009, **DOLLENTE** went to **VITALICH's** office and found the  
12 offices vacated and the office doors were locked.

13           On or about July 23, 2009, **DOLLENTE** again telephoned **VITALICH**. This time he  
14 answered the phone. **VITALICH** told **DOLLENTE** he was closing the office because he was  
15 not getting along with some of his employees. **VITALICH** also told **DOLLENTE** that he would  
16 not be re-opening his office but that he could refer her to another loan modification company.  
17 **DOLLENTE** requested a full refund. **VITALICH** told **DOLLENTE** he could not give her a  
18 refund and he would call her back with the name of a person who could assist her with the  
19 completion of her loan modification. **VITALICH** has not refunded the \$3,000.00 or arranged  
20 for anyone else to complete **DOLLENTE'S** work.

21           Despite his representations, **VITALICH** had only limited contact with Chase Bank. On  
22 or about June 18, 2009, Chase Bank received from **VITALICH** a third party authorization form,  
23 tax return information, proof of occupancy and paystubs, but after sending these initial  
24 documents **VITALICH** made no further efforts to contact Chase Bank to negotiate a loan  
25 modification on the **DOLLENTE'S** behalf, performed no other work on the case and failed to  
26 perform any of the promised services, failed to obtain a loan modification and failed to give a  
27 refund despite requests. The promises of work were therefore material misrepresentations  
28 and the money collected was taken with the intent to deprive.



1 All of which constitutes the crime of **THEFT – OBTAINING MONEY IN THE AMOUNT**  
2 **OF \$2,500.00 OR MORE BY A MATERIAL MISREPRESENTATION**, a category B felony, in  
3 violation of NRS 205.0832(1)(c) and NRS 205.0835(4)

4 **COUNT IV**  
5 **THEFT – OBTAINING MONEY IN THE AMOUNT OF \$250.00 OR**  
6 **MORE BY A MATERIAL MISREPRESENTATION FROM A**  
7 **PERSON 60 YEARS OF AGE OR OLDER**

8 **A Category C Felony – NRS 205.0832(1)(c), 205.0835(3), and NRS 193.167(1)**

9 On or about March 14, 2009, and continuing thereafter through July 2009, **VITALICH**,  
10 within the County of Clark, State of Nevada, did then and there by individually and/or by and  
11 through his agents, without lawful authority, knowingly obtained real, personal or intangible  
12 property or the services of another, by a material misrepresentation from a person 60 years of  
13 age or older with the intent to deprive that person of the value of property or services valued at  
14 \$250.00 or more to wit:

15 That on or about March 14, 2009 and again on March 16, 2009, **VITALICH** made  
16 material misrepresentations to **ALFREDO MAGALLANES** (DOB: 6-6-1946) and **AURORA**  
17 **MAGALLANES** (DOB: 6-3-1948) (hereinafter “**MAGALLANES**”) to obtain combined payments  
18 of \$2,000.00 for promised services with intent to deprive the **MAGALLANES** of their money,  
19 including one or more of the following material misrepresentations concerning services he  
20 would provide:

21 That **VITALICH** guaranteed the **MAGALLANES** that he would obtain a loan  
22 modification or other loan restructure on favorable terms that would significantly lower their  
23 monthly payments;

24 That **VITALICH** would work diligently on the **MAGALLANES** behalf to obtain a loan  
25 modification or other restructure of her mortgage loan in return for an upfront fee of \$3,500.00.  
26 **VITALICH** agreed to begin negotiations in return for a down payment of \$2000.00, which  
27 **MAGALLANES** paid. **VITALICH** told **MAGALLANES** the balance of \$1500.00 would be due  
28 when the “forensic papers” were ready.

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1 That **VITALICH** promised the **MAGALLANES** that he would be able to obtain a loan  
2 modification for her within two to three months;

3 That **VITALICH** maintained an attorney on staff who would be available to work on the  
4 **MAGALLANES** behalf;

5 On or about April 3, 2009, **MAGALLANES** telephoned **VITALICH** to request an update  
6 on the status on their loan modification negotiations. That **VITALICH** told the **MAGALLANES**  
7 that negotiations with their mortgage lender/servicer were going well and that she should  
8 contact him for another update in a couple of weeks.

9 On or about April 20, 2009, **MAGALLANES** again telephoned **VITALICH** to request an  
10 update on the status of their loan modification negotiations. **VITALICH** told her that the loan  
11 modification should be approved "any day."

12 On or about May 3, 2009, **MAGALLANES** again telephone **VITALICH** to request an  
13 update on the status of their loan modification negotiations. **VITALICH** told her that he had  
14 not received final approval. **VITALICH** told **MAGALLANES** that he was going to be moving  
15 office locations because the rent was too high at the present location, but that his telephone  
16 number would remain the same and he would call her as soon as the move was completed.

17 On or about June 1, 2009 and June 10, 2009, **MAGALLANES** attempted to contact  
18 **VITALICH** by telephone but received no reply. **VITALICH** has not made contact with  
19 **MAGALLNES** again.

20 Despite these representations and assurances, the only contact **VITALICH** made or had  
21 with the **MAGALLANES**' mortgage loan servicer, Bank of America was to send a third-party  
22 release authorization received by Bank of America on or about July 21, 2009, more than three  
23 months after he had agreed to begin loan modification negotiations on their behalf. **VITALICH**  
24 performed no other work on this case and failed to perform the services he promised. He also  
25 failed to refund the fee the **MAGALLANES**' paid.

26 **ALFREDO MAGALLANES** and **AURORA MAGALLANES** were each sixty (60) years of  
27 age or older at all relevant times herein.


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1 All of which constitutes the crime of THEFT – OBTAINING MONEY IN EXCESS OF  
2 \$250.00 BY A MATERIAL MISREPRESENTATION FROM A PERSON 60 YEARS OF AGE  
3 OR OLDER, a category C Felony in violation of NRS 205.0832(1)(C) , NRS 205.083(3), and  
4 NRS 193.167(1).

5 All of which is contrary to the form of the Statute in such cases made and provided, and  
6 against the peace and dignity of the State of Nevada. Furthermore, complainant makes this  
7 declaration subject to the penalty of perjury.

8 Dated this 21<sup>st</sup> day of March, 2011.

9 CATHERINE CORTEZ MASTO  
10 Attorney General

11 By:   
12 Jeffrey H. Segal  
13 Deputy Attorney General  
14 Adriana Escobar  
15 Deputy Attorney General  
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