



OFFICE OF THE ATTORNEY GENERAL

Catherine Cortez Masto, *Attorney General*

555 E. Washington Avenue, Suite 3900

Las Vegas, Nevada 89101

Telephone - (702) 486-3420

Fax - (702) 486-3283

Web - <http://ag.state.nv.us>

FOR IMMEDIATE RELEASE

DATE: September 18, 2012

CONTACT: Jennifer López

jlopez@ag.nv.gov / 702-486-3782

ATTORNEY GENERAL MASTO ANNOUNCES ARREST AND INITIAL APPEARANCE OF LAS VEGAS COUPLE INVOLVED IN MORTGAGE LENDING FRAUD

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced that on September 14, David Young, 37, and Minerva “Chaidez” Young, 38, both of Las Vegas, made an initial appearance in Las Vegas Justice Court for their involvement in a mortgage lending fraud case involving numerous victims operating under the name My State Processing.

Both David and Minerva Young are charged with four felony counts of mortgage lending fraud, four felony counts of theft, one felony count of multiple transactions involving fraud and deceit in the course of enterprise and occupation, and one felony count of pattern of mortgage lending fraud.

“Based upon my office’s investigation there is probable cause to believe that this is another case of mortgage lending fraud,” said Masto. “As always, we encourage those who believe they may be a victim to submit a written complaint.”

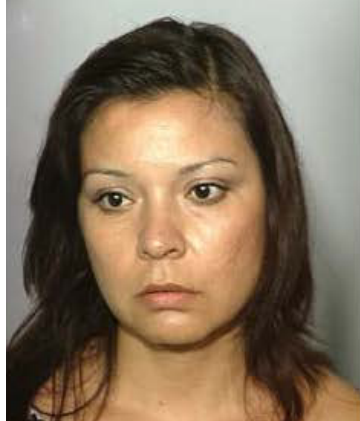
From March 2011 to March 2012, the Youngs made false representations that they were capable of rescuing homeowners who were looking to refinance their mortgages by negotiating loan modifications. They collected up-front fees, in most cases ranging from \$2,500 to \$3,000, for proposed services never performed or refunds provided.

Both David and Minerva Young face a 20 year prison sentence. The preliminary hearing is set for January 14, 2013 at 1:30 p.m. in Las Vegas Justice Court 5. Defendants are presumed innocent until proven guilty.

Anyone with additional information regarding David or Minerva Young, or My State Processing is urged to contact the Attorney General’s Office Bureau of Consumer Protection Hotline at 702-486-3132 and press “3” to receive instructions on how to submit a complaint.

The case was investigated by the Attorney General’s Mortgage Fraud Unit and is being prosecuted by Deputy Attorney General, Gary Mathews.

Read the criminal complaint at <http://bit.ly/Youngcomplaint>.



YOUNG "CHAIDEZ", MINERVA



YOUNG, DAVID

(Photos courtesy of Las Vegas Metropolitan Police Department)

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CATHERINE CORTEZ MASTO
Attorney General
GARY J. MATHEWS
Deputy Attorney General
Nevada Bar Number 12255
Office of the Attorney General
555 East Washington Ave., Ste. 3900
Las Vegas, Nevada 89101
P: (702) 486-0661
F: (702) 486-0600
gmathews@ag.nv.gov
Attorneys for State of Nevada

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JUSTICE COURT
LAS VEGAS, NEVADA
BY _____ DEPUTY

IN THE JUSTICE COURT, LAS VEGAS TOWNSHIP

CLARK COUNTY, STATE OF NEVADA

THE STATE OF NEVADA,

Plaintiff,

vs.

DAVID YOUNG, ID#2760196 and
MINERVA YOUNG,

Defendants.

Case No.: 12F13841AB
Dept. No.: 5

CRIMINAL COMPLAINT

CATHERINE CORTEZ MASTO, Attorney General of the State of Nevada, by and through her deputy, GARY J. MATHEWS, complains and charges that the above named Defendants have committed the following offenses:

DAVID YOUNG and MINERVA YOUNG, (hereinafter "YOUNGS") d/b/a My State Processing ("MSP"), have committed four (4) counts of MORTGAGE LENDING FRAUD, all category "C" felonies in violation of NRS 205.372; NRS 645F.400; NRS 645F.405, and NRS 195.020; four (4) counts of THEFT – OBTAINING MONEY IN THE AMOUNT OF \$650.00 OR MORE BUT LESS THAN \$3,500.00 BY A MATERIAL MISREPRESENTATION, all category "C" felonies, in violation of NRS 205.0832(1)(c), NRS 205.0835(3), and NRS 195.020; one (1) count of MULTIPLE TRANSACTIONS INVOLVING FRAUD AND DECEIT IN THE COURSE OF

1 **ENTERPRISE OR OCCUPATION**, all category "B" felonies in violation of NRS 205.377; and one
2 (1) count of **PATTERN OF MORTGAGE LENDING FRAUD**, a category "B" felony in violation of
3 NRS 205.372.

4 All of the acts alleged herein have been committed on or between March 2011 and March
5 2012, by the above-named Defendants, within the County of Clark, State of Nevada, in the
6 following manner:

7 **COUNT I**

8 **MORTGAGE LENDING FRAUD**

9 **CATEGORY "C" FELONY - NRS 205.372; NRS 645F.400; NRS 645F.405, and NRS195.020**

10 From on or about March 2011 to March 2012, within the County of Clark, State of
11 Nevada, the **YOUNGS** either by virtue of their own actions or by the actions of their agents or
12 employees, knowingly and unlawfully made one or more false statements or misrepresentations
13 concerning a material fact or knowingly concealed or failed to disclose a material fact, as a
14 participant in a mortgage lending transaction, knowingly and unlawfully claimed, demanded,
15 charged, collected or received compensation for the performance of a mortgage lending
16 transaction, which they failed to complete or provide a full refund as agreed upon, which
17 constitutes mortgage lending fraud, to wit:

18 On or about September 2011, the **YOUNGS** met with JON RICHARDSON (hereinafter
19 "RICHARDSON") at the **YOUNGS'** office located in Clark County, Nevada. RICHARDSON
20 signed an agreement for the **YOUNGS** to provide a loan modification service at an upfront fee of
21 \$2,500.00. The **YOUNGS** made material representations that they would successfully negotiate
22 a loan modification for RICHARDSON or make a full refund. The **YOUNGS** knowingly and
23 unlawfully collected and received compensation for the performance and negotiation for a loan
24 modification service which was never performed or a full refund provided.

25 All of which constitutes the crime of **MORTGAGE LENDING FRAUD**, a category "C"
26 felony in violation of NRS 205.372; NRS 645F.400; NRS 645F.405, and NRS 195.020.

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1 COUNT II

2 THEFT

3 **CATEGORY "C" FELONY - NRS 205.0832(1)(c), NRS 205.0835(3), and NRS 195.020**

4 From on or about March 2011 to March 2012, the **YOUNGS**, within the County of Clark,
5 State of Nevada, did without lawful authority knowingly and willfully, either of their own or through
6 their agents or employees, obtain the personal or intangible property of another person in the
7 amount of \$650.00 or more but less than \$3,500.00 by virtue of a material misrepresentation
8 with the intent to deprive that person of the property, to wit:

9 On or about September 2011, the **YOUNGS** obtained \$1,500.00 from Jon Richardson by
10 making one or more material misrepresentations, including without limitation they would obtain a
11 loan modification for RICHARDSON or make a full refund as agreed upon. The **YOUNGS** failed
12 to perform the agreed upon services or provide a full refund upon RICHARDSON'S request.

13 All of which constitutes the crime of **THEFT**, a category "C" felony in violation NRS
14 205.0832(1)(c); NRS 205.0835(3), and NRS 195.020.

15 COUNT III

16 MORTGAGE LENDING FRAUD

17 **CATEGORY "C" FELONY - NRS 205.372; NRS 645F.400 NRS 645F.405, and NRS 195.020**

18 From on or about March 2011 to March 2012, within the County of Clark, State of
19 Nevada, the **YOUNGS**, either by virtue of their own actions or by the actions of their agents or
20 employees, knowingly and unlawfully made one or more false statements or misrepresentations
21 concerning a material fact or knowingly concealed or failed to disclose a material fact, as a
22 participant in a mortgage lending transaction and knowingly and unlawfully claimed, demanded,
23 charged, collected or received compensation for the performance of a mortgage lending
24 transaction which they failed to complete or provide a full refund as agreed upon, which
25 constitutes mortgage lending fraud, to wit:

26 On or about June 2011, the **YOUNGS** met with CHARLENE PETERLA and DOUGLAS
27 GUERRIERO at their residence located in Clark County, Nevada. PETERLA and GUERRIERO
28 signed an agreement for the **YOUNGS** to provide a loan modification service at an upfront fee of

1 \$2,500.00. The **YOUNGS** made material representations that they would successfully negotiate
2 a loan modification for PETERLA and GUERRIERO or make a full refund. The **YOUNGS**
3 knowingly and unlawfully collected and received compensation for the performance and
4 negotiation of a loan modification service which was never performed or a full refund provided.

5 All of which constitutes the crime of **MORTGAGE LENDING FRAUD**, a category "C"
6 felony in violation of NRS 205.372; NRS 645F.400; NRS 645F.405, and NRS 195.020.

7 **COUNT IV**

8 **THEFT**

9 **CATEGORY "C" FELONY - NRS 205.0832(1)(c); NRS 205.0835(3), and NRS 195.020**

10 From on or about March 2011 to March 2012, the **YOUNGS**, within the County of Clark,
11 State of Nevada, did without lawful authority knowingly and willfully, either of their own or through
12 their agents or employees, obtain the personal or intangible property of another person in the
13 amount of \$650.00 or more but less than \$3,500.00 by virtue of a material misrepresentation
14 with the intent to deprive that person of the property, to wit:

15 On or about June 2011, the **YOUNGS** obtained \$2,500.00 from CHARLENE PETERLA
16 and DOUGLAS GUERRIERO by making one or more material misrepresentations, including
17 without limitation would obtain a loan modification for CHARLENE PETERLA and DOUGLAS
18 GUERRIERO or make a full refund if the agreed upon services were not performed. The
19 **YOUNGS** failed to perform the agreed upon services and failed to refund CHARLENE
20 PETERLA and DOUGLAS GUERRIERO'S money upon their request.

21 All of which constitutes the crime of **THEFT**, a category "C" felony in violation NRS
22 205.0832(1)(c); NRS 205.0835(3), and NRS 195.020.

23 **COUNT V**

24 **MORTGAGE LENDING FRAUD**

25 **CATEGORY "C" FELONY - NRS 205.372; NRS 645F.400; NRS 645F.405, and NRS 195.020**

26 From on or about March 2011 to March 2012, within the County of Clark, State of
27 Nevada, the **YOUNGS**, either by virtue of their own actions or by the actions of their agents or
28 employees, knowingly and unlawfully made one or more false statements or misrepresentations

concerning a material fact or knowingly concealed or failed to disclose a material fact, as a participant in a mortgage lending transaction and knowingly and unlawfully claimed, demanded, charged, collected or received compensation for the performance of a mortgage lending transaction, which they failed to complete or provide a full refund as agreed upon, which constitutes mortgage lending fraud, to wit:

On or about August 2011, the **YOUNGS** met with JULIE CHILDS (hereinafter "CHILDS") at the **YOUNGS'** office located in Clark County, Nevada. CHILDS signed an agreement for the **YOUNGS** to provide a loan modification service at an upfront fee of \$2,500.00. The **YOUNGS** made material representations that they would successfully negotiate a loan modification for CHILDS or make a full refund. The **YOUNGS** knowingly and unlawfully collected and received compensation for the performance and negotiation for a loan modification service which was never performed or a full refund provided.

All of which constitutes the crime of **MORTGAGE LENDING FRAUD**, a category "C" felony in violation of NRS 205.372; NRS 645F.400; NRS 645F.405, and NRS 195.020.

COUNT VI

THEFT

CATEGORY "C" FELONY - NRS 205.0832(1)(c); NRS 205.0835(3), and NRS 195.020

From on or about March 2011 to March 2012, the **YOUNGS**, within the County of Clark, State of Nevada, did without lawful authority knowingly and willfully, either of their own or through their agents or employees, obtain the personal or intangible property of another person in the amount of \$650.00 or more but less than \$3,500.00 by virtue of a material misrepresentation with the intent to deprive that person of the property, to wit:

On or about August 2011, the **YOUNGS** obtained \$2,500.00 from CHILDS by making one or more material misrepresentations, including without limitation they would obtain a loan modification for CHILDS or make a full refund as agreed upon. The **YOUNGS** failed to perform the agreed upon services or provide a full refund at CHILDS request.

All of which constitutes the crime of **THEFT**, a category "C" felony in violation NRS 205.0832(1)(c); NRS 205.0835(3), and NRS 195.020.

1 COUNT VII

2 MORTGAGE LENDING FRAUD

3 **CATEGORY "C" FELONY - NRS 205.372; NRS 645F.400; NRS 645F.405, and NRS195.020**

4 From on or about March 2011 to March 2012, within the County of Clark, State of
5 Nevada, the **YOUNGS**, either by virtue of their own actions or by the actions of their agents or
6 employees, knowingly and unlawfully made one or more false statements or misrepresentations
7 concerning a material fact or knowingly concealed or failed to disclose a material fact, as a
8 participant in a mortgage lending transaction and knowingly and unlawfully claimed, demanded,
9 charged, collected or received compensation for the performance of a mortgage lending
10 transaction, which they failed to complete or provide a full refund as agreed upon, which
11 constitutes mortgage lending fraud, to wit:

12 On or about January 2012, the **YOUNGS** met with KATHRYN CLARK (hereinafter
13 "CLARK") at the **YOUNGS'** office located in Clark County, Nevada. CLARK signed an
14 agreement for the **YOUNGS** to provide a loan modification service at an upfront fee of
15 \$2,500.00. The **YOUNGS** made material representations that they would successfully negotiate
16 a loan modification for CLARK or make a full refund. The **YOUNGS** knowingly and unlawfully
17 collected and received compensation for the performance and negotiation for a loan modification
18 service which was never performed or a full refund provided.

19 All of which constitutes the crime of **MORTGAGE LENDING FRAUD**, a category "C"
20 felony in violation of NRS 205.372; NRS 645F.400; NRS 645F.405, and NRS 195.020.

21 COUNT VIII

22 THEFT

23 **CATEGORY "C" FELONY - NRS 205.0832(1)(c); NRS 205.0835(3), and NRS 195.020**

24 From on or about March 2011 to March 2012, the **YOUNGS**, within the County of Clark,
25 State of Nevada, did without lawful authority knowingly and willfully, either of their own or through
26 their agents or employees, obtain the personal or intangible property of another person in the
27 amount of \$650.00 or more but less than \$3,500.00 by virtue of a material misrepresentation
28 with the intent to deprive that person of the property, to wit:

1 On or about January 2012, the **YOUNGS** obtained \$2,500.00 from CHILDS by making
2 one or more material misrepresentations, including without limitation they would obtain a loan
3 modification for CLARK or make a full refund as agreed upon. The **YOUNGS** failed to perform
4 the agreed upon services or provide a full refund at CLARK'S request.

5 All of which constitutes the crime of **THEFT**, a category "C" felony in violation NRS
6 205.0832(1)(c); NRS 205.0835(3), and NRS 195.020.

7 **COUNT IX**

8 **MULTIPLE TRANSACTIONS INVOLVING FRAUD OR DECEIT**

9 **CATEGORY "B" FELONY - NRS 205.377**

10 From on or about March 2011 to March 2012, within the County of Clark, State of
11 Nevada, the **YOUNGS**, either by virtue of their own actions or by the actions of their agents or
12 employees, knowingly and with the intent to defraud, engage in an act, practice or course of
13 business or employed a device, scheme or artifice which operates or would operate as a fraud
14 or deceit upon a person by means of a false representation or omission of a material fact; to wit;

15 As set forth in Counts II, IV, VI, and VIII, the **YOUNGS** have committed multiple
16 transactions involving fraud or deceit in course of enterprise or occupation in two or more
17 mortgage lending transactions as set forth more fully in those counts. The purposes, results and
18 methods of commission in all four instances was the same or similar.

19 The **YOUNGS'** actions constitute the crime of **MULTIPLE TRANSACTIONS INVOLVING**
20 **FRAUD OR DECEIT IN COURSE OF ENTERPRISE OR OCCUPATION**, a category "B" felony
21 in violation of NRS 205.377.

22 **COUNT X**

23 **PATTERN OF MORTGAGE LENDING FRAUD**

24 **CATEGORY "B" FELONY - NRS 205.372(2)**

25 From on or about March 2011 to March 2012, within the County of Clark, State of
26 Nevada, the **YOUNGS**, either by virtue of their own actions or by the actions of their
27 conspirators, agents or employees, knowingly and unlawfully committed mortgage lending fraud
28 in two or more mortgage lending transactions having the same or similar purposes, results,

1 accomplices, victims or methods of commission, or having other interrelated distinguishing
2 characteristics; to wit:

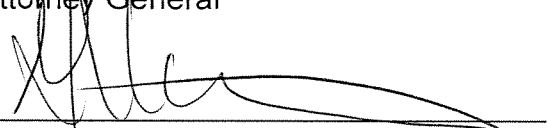
3 As set forth in Counts I, III, V, and VII, the **YOUNGS** have committed mortgage lending
4 fraud in two or more mortgage lending transactions as set forth more fully in those counts. The
5 purposes, results and methods of commission in all four instances was the same or similar.

6 All of which constitutes the crime of **PATTERN OF MORTGAGE LENDING FRAUD**, a
7 category "B" felony in violation of NRS 205.372.

8 DATED this 29th day of August, 2012.

10 SUBMITTED BY
11 CATHERINE CORTEZ MASTO
12 Attorney General

13 By:

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15 GARY J. MATHEWS
16 Deputy Attorney General
17 Fraud Unit
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APPLICATION AND AFFIDAVIT FOR ARREST

STATE OF NEVADA)
)
COUNTY OF CLARK)

SS:

FILED
AUG 29 2 57 PM '12
JUSTICE COURT
LAS VEGAS, NEVADA
BY _____
DEPUTY

I, Christopher Klein, being first duly sworn, deposes and states, under penalty of perjury, that I am the Affiant herein and I am an Investigator with the State of Nevada, Office of the Attorney General, Bureau of Consumer Protection ("BCP"). I have been assigned to the BCP for one year (1) and seven months (7). I graduated the Nevada Department of Public Safety Academy Class #60, encompassing successfully completing over 835 hours of instruction in a course entitled Nevada Post Category I Basic Course of Training. Prior to working for the BCP, I was employed by the State of Nevada, Capitol Police as a DPS Officer I for (2) years and ten (10) months. In my positions I have investigated various criminal offenses including grand larceny, burglary, mortgage fraud, forgery, and assisted in preparation and execution of arrest warrants and search warrants. I also obtained a Bachelor of Arts from Western Michigan University, majoring in Criminal Justice. These assertions are true and accurate to the best of my knowledge.

The BCP has jurisdiction over the Nevada Deceptive Trade Practices Act contained in Nevada Revised Statutes ("NRS") 598, Mortgage Lending Fraud contained in NRS 205 and Actions Which Constitute Theft by false pretenses, the provisions for which are also contained in NRS 205.

In support of the assertions to constitute the existence of probable cause for the requested arrest warrants, the following facts constitute evidence, which tends to demonstrate the criminal offenses crimes of **THEFT - OBTAINING MONEY IN EXCESS OF \$650 OR MORE, BUT LESS THAN 3,500 BY A MATERIAL MISREPRESENTATION**, in violation of NRS 205.0835(3), **MORTGAGE LENDING FRAUD**, in violation of NRS 205.372, **MULTIPLE TRANSACTIONS INVOLVING FRAUD AND DECEIT IN THE COURSE OF ENTERPRISE OR OCCUPATION**, in violation of NRS 205.377, and **PATTERN OF MORTGAGE LENDING FRAUD**, in violation of NRS 205.372, have been committed on or about March 2011 through

1 March 2012 by DAVID **YOUNG** and MINERVA **YOUNG** (hereinafter "**YOUNG**") and
2 businesses under their direct control; **MY STATE PROCESSING** (hereinafter "**MSP**").

3 This affidavit is made of my own personal knowledge, except where stated on
4 information and belief, and as to those matters, I believe them to be true and if called as a
5 witness, I will competently testify thereto.

6 Your Affiant began his investigation when The Nevada Office of the Attorney General
7 (hereinafter "OAG") received multiple complaints against **MSP** and **YOUNG** alleging that
8 approximately seventeen (17) victims paid approximately \$2,500 for loan modification services
9 from **MSP** that were never received by the victims, for a total loss of approximately \$35,000.
10 All of the victims had been told by David **YOUNG** verbally, as well as also being included in
11 the contract language, that they would receive a full refund of their payments if **MSP** was
12 unable to obtain a loan modification on their behalf. When victims would ask for their promised
13 refunds **YOUNG** would offer up excuses, tell them the money had been sent, or try to
14 convince the consumers that **MSP** was very close to obtaining a loan modification on their
15 behalf and the consumer just needed to be patient.

16 **MSP** continued their pattern of fraud and deceit of their customers until approximately
17 early March 2012. When victims attempted to contact **YOUNG** and **MSP** they found that the
18 business and personal phone line had been disconnected. The **MSP** office location located at
19 7477 W. Lake Mead Blvd, Las Vegas, NV 89128 was also vacated around that time. This
20 affidavit has shown that David **YOUNG** and Minerva **YOUNG** had full knowledge of the
21 scheme in place and never intended to give monies back to the vast majority of their victims.

22 The investigation has shown that David **YOUNG** and Minerva **YOUNG** were not
23 licensed to perform the functions of a "Covered Service Provider". On or about April 2012 your
24 Affiant viewed the Nevada Division of Mortgage Lending website licensee search for David
25 and Minerva **YOUNG**. It showed their status from March 2011 through July 2011 **MSP** was
26 "Approved-Inactive". From July 2011 through the present, their status is listed as
27 "Terminated".

28 On or about April 2012 your Affiant searched the Nevada Secretary of State's online

1 records for information regarding **MSP**. The status of the company was shown as "revoked".
2 On or about May 2012 your Affiant obtained a certified copy of the "Articles of Incorporation"
3 from the Nevada Secretary of State website. It showed Minerva **YOUNG** as the only officer
4 listed on the document. On or about June 2012 your Affiant received a subpoena response
5 from Bank of America for **MSP** banking records. The signature cards on the subpoena
6 response listed Minerva **YOUNG** as the sole signer on all of the **MSP** business accounts.

7 Your Affiant noticed that the driver's license number that was inputted on the signature
8 card by the Bank of America employee matched the known number of Minerva **YOUNG**. It
9 also appears that the distinct signature on the signature card matches the signature on
10 Minerva **YOUNG**'S driver's license.

11 **VICTIMS – Douglas Guerriero and Charlene Peterla**

12 On or about April 2012 the OAG received a complaint from Charlene Peterla and
13 Douglas GUERRIERO (hereinafter "GUERRIERO" is referring to statements made by both
14 parties) regarding the business practices of **MSP** and **YOUNG**. On or about May 4th 2012 your
15 Affiant met with GUERRIERO for an interview and after being advised of my identity and
16 nature of the interview, he provided the following voluntary information.

17 GUERRIERO stated that on or about June 2011, David **YOUNG** met with them at the
18 GUERRIERO residence located at 9330 Portland Point Ave, Las Vegas, NV 89148 to discuss
19 the services of **MSP**. While at the residence **YOUNG** showed examples of people he had
20 helped in the past that were in a situation similar to GUERRIERO. GUERRIERO was not
21 behind on his mortgage, but was looking to get a loan modification to lower his monthly
22 payment.

23 GUERRIERO signed a contract with **MSP** for loan modification services on or about
24 June 2011 and paid **MSP** \$2,500. Included in the contract that GUERRIERO signed was an
25 amended agreement that states, "*I David **YOUNG** and My State Processing agree to refund*
26 *any fees that have been collected within 30 days of receiving the denial or proposed*
27 *modification.*" GUERRIERO also stated that **YOUNG** verbally told him that he could opt out at
28 any time for a full refund if the process took too long.

1 GUERRIERO stated that after a period of approximately nine (9) months and after
2 various e-mails and phone calls, he attempted to contact **YOUNG** on or about March 2012.
3 **YOUNG'S** cell phone and business phone for **MSP** had been disconnected and the offices of
4 **MSP** vacated. GUERRIERO was left without a loan modification and was not given his
5 promised refund by **YOUNG**.

6 On or about June 28th 2012, your Affiant received a subpoena response from Bank of
7 America for **MSP** business banking records. The subpoena response indicated that the
8 GUERRIERO check was deposited into an account ending in 9267 controlled solely by
9 Minerva **YOUNG**. The bank statements included in the response for June 2011 also indicate
10 that **YOUNG** was spending victim money as soon as it was coming in. The statements show
11 over one hundred (100) personal expenditures totaling more than \$14,000.

12
13 **VICTIM- JON RICHARDSON**

14 On or about April 30th 2012, Senior Investigator Shelley Neiman and your Affiant met
15 with RICHARDSON for an interview regarding a complaint he submitted to the OAG against
16 **MSP**. After being advised of our identities and the nature of the interview, he provided the
17 following voluntary information.

18 RICHARDSON stated that on or about September 2011 he signed a contract with
19 **MSP**, which was sent via e-mail. Included in the **MSP** contract is language that states "**MSP**
20 *will return all advanced fees back to the client*" if no services were rendered by **MSP**. **YOUNG**
21 and RICHARDSON both agreed that **MSP** would be paid \$500 a month for six (6) months total
22 from RICHARDSON until the total sum of \$3,000 was paid in full. During this meeting **YOUNG**
23 instructed RICHARDSON to stop paying his mortgage. RICHARDSON stated that **YOUNG**
24 told him since he was not currently behind on his mortgage; the bank would be more willing to
25 modify his mortgage if payments were past due. On or about September 2011,
26 RICHARDSON stopped paying his mortgage based off of **YOUNG'S** instruction. After signing
27 the contract RICHARDSON did most of his communication with **YOUNG** via e-mail.

1 RICHARDSON would receive periodic updates from **YOUNG** for two months until
2 approximately December 2011, when RICHARDSON received correspondence from his
3 lender indicating he was denied a loan modification.

4 RICHARDSON stated that in December 2011 he was instructed to remit another \$500
5 payment to **MSP**. However, he had already hired a broker to start the process of short selling
6 his home. At that point RICHARDSON was facing foreclosure on his home based solely on
7 the fact that **YOUNG** advised him to stop paying his mortgage in order to heighten the
8 chances of obtaining a loan modification.

9 Due to the fact that he was already denied a loan modification, he did not remit the
10 remaining payments and inquired about the promised refund from **YOUNG**. **YOUNG** stated in
11 e-mails that he would repay the \$1,500 in \$500 installments. RICHARDSON stated that the
12 first refund was supposed to come on or about December 2011. RICHARDSON then stated
13 that **YOUNG** provided various excuses and dates that the refunds would come, but ultimately
14 no refunds were given. RICHARDSON'S experience with **MSP** has negatively impacted his
15 family's life. It forced them to short sale their home in order to avoid foreclosure and ruin their
16 credit, forced them to move residences, and now his bank is suing him civilly for the remaining
17 balance of the loan after the short sale.

18 On about May 2nd 2012, your Affiant issued a subpoena to Bank of Nevada regarding
19 modification attempts by **MSP** on behalf of RICHARDSON. The subpoena response showed
20 that approximately six pages (6) were sent over to Bank of Nevada from **MSP**. Their call log
21 also showed that the information sent from **MSP** was deficient and not updated correctly. The
22 subpoena response ultimately showed that RICHARDSON was denied for a loan modification

23 On or about June 28th 2012, your Affiant received a subpoena response from Bank of
24 America for **MSP** business banking records. The subpoena response indicated that the
25 RICHARDSON checks were deposited into an account ending in 9267 controlled solely by
26 Minerva **YOUNG**. The bank statements included in the response show that there were
27 approximately 330 debits during the time frame the RICHARDSON checks were deposited
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(September 2011 – November 2011) totaling approximately \$26,000 that appear have no legitimate business expense.

VICTIM- JULIE CHILDS

On or about April 2012, the OAG received a complaint regarding **MSP** from CHILDS. On or about May 4th 2012 your Affiant met with CHILDS for an interview and after being advised of my identity and the nature of the interview, she provided the following voluntary information.

CHILDS stated she was referred to **MSP** by a coworker and that she was looking to get a loan modification on her home, but was not behind on her mortgage. CHILDS originally spoke with David **YOUNG** over the phone and was described some of the services **MSP** could provide her. On or about August 2011 CHILDS and her husband Stewart Childs met with David **YOUNG** at the **MSP** offices on 7477 W. Lake Mead Suite 150 Las Vegas, NV 89128.

CHILDS stated that while at the offices of **MSP**, **YOUNG** verbally guaranteed her a full refund if **MSP** was unable to obtain a full loan modification. That promise was also written into an amended part of the contract with CHILDS, which states,

"In the event Julie & Stewart Childs is declined for the initial proposed modifications and or all other modification attempts from their lender Cenlar for their property located at 2035 E. Warm Springs Rd #1042, Las Vegas, NV 89119, I David YOUNG and My State Processing agree to refund any fees that have been collected."

After hearing **YOUNG**'S sales pitch, seeing the amended agreement, and being guaranteed a refund, CHILDS signed a contract with **MSP** for loan modification services and paid \$2500 to **MSP**.

According to CHILDS, on or about February 2012 **YOUNG** said that if no modification was completed by April 2012, CHILDS would receive a full refund. CHILDS stated that on or about March 8th 2012 she tried to call **YOUNG**, but the line had been disconnected. She stated that other coworkers who hired **MSP** had similar experiences around that time frame when they tried to contact **YOUNG** or **MSP**. Due to the fact that **MSP** and **YOUNG** fled their

1 offices and deceived consumers, CHILDS was left with no modification services and no
2 promised refund from **MSP**.

3 On or about June 2012 your Affiant received a subpoena response from CHILDS
4 mortgage servicer, Bayview Loan Servicing. The response showed that in over ten (10)
5 months and after paying an upfront fee of \$2,500, **MSP** had made several phone calls on
6 behalf of CHILDS. There were no other loan modification attempts or documentation received
7 by Bayview Loan Servicing from **MSP** for any loan modification efforts.

8 On or about June 28th 2012, your Affiant received a subpoena response from Bank of
9 America for **MSP** business banking records. The subpoena response indicated that the
10 CHILD'S check was deposited into an account ending in 9267 controlled solely by Minerva
11 **YOUNG**. The bank statements included in the response for August 2011 also indicate that
12 **YOUNG** was spending victim money as soon as it was coming in. The statements show over
13 one hundred and thirty (130) personal expenditures totaling more than \$9,600.

14 **KATHRYN CLARK**

15 On or about March 2012, the OAG received a complaint regarding **MSP** from CLARK.
16 On or about May 4th 2012 your Affiant met with CLARK for an interview and after being
17 advised of my identity and the nature of the interview, she provided the following voluntary
18 information.

19 CLARK stated that on or about November 2011 she was contacted by **MSP** employee
20 Carla DEVINE (hereinafter "DEVINE"). DEVINE stated she worked for **MSP** and wanted to
21 see if CLARK was interested in loan modification services. CLARK put off the idea of a loan
22 modification, but her husband was going to retire soon and subsequent calls from DEVINE led
23 her to go to the offices of **MSP** and meet with David **YOUNG** on or about January 2012.
24 CLARK stated that DEVINE told her that CLARK "was in good hands" with **YOUNG** and that
25 he was a "good Christian." No contract was signed or formalized at this initial meeting, but
26 DEVINE gave CLARK a **MSP** checklist to start the "pre-approval process" for **MSP**.

27 On or about January 29th CLARK received a call from **YOUNG** after that meeting and
28 offered three choices for CLARK to choose from. According to CLARK, **YOUNG** gave her

1 specific details on the types of percentage rates and terms of loan modifications that **MSP**
2 could obtain for CLARK. On or about that same day CLARK went to the offices of **MSP** and
3 met with **YOUNG** to sign a contract and paid the sum of \$2,000 for services. **YOUNG** gave
4 verbal assurances of a 100% money back guarantee as well as specific language in the
5 contract that states,

6 "In the event that Robert & Kathryn Clark is declined for the initial proposed
7 modification and/or unacceptable terms from their lender GreenTree for the
8 property located at 2520 Mourning Warbler Ave, North Las Vegas, NV 89084,
9 David YOUNG and My State Processing agree to refund any fees that have
10 been collected."

11 CLARK stated that **YOUNG** gave her one update on their loan modification in February
12 2012. CLARK then stated that when she tried to contact **MSP** and **YOUNG** again in early
13 March 2012, the phone line had been disconnected and the office of **MSP** was vacant.
14 CLARK was left with no loan modification services and no promised refund of the \$2000
15 payment.

16 On or about June 2012 your Affiant received a subpoena response from CLARK'S
17 mortgage servicer, GreenTree. The response showed that after paying an upfront fee of
18 \$2,000, **MSP** had made only sent two (2) forms on behalf of CLARK for loan modification
19 attempts. There was no other loan modification attempts or documentation received by
20 GreenTree from **MSP**.

21 On or about June 28th 2012, your Affiant received a subpoena response from Bank of
22 America for **MSP** business banking records. The subpoena response indicated that the
23 CLARK'S check was deposited into an account ending in 1486 controlled solely by Minerva
24 **YOUNG**. The bank statements included in the response for January 2012 also indicate that
25 **YOUNG** was spending victim money as soon as it was coming in. The statements show over
26 one hundred and seventy (70) personal expenditures totaling more than \$4,000.

27 **CONCLUSION**

1 Based upon your Affiant's investigation it is believed that there is probable cause to
2 believe that **MSP** and the **YOUNGS** committed the offenses of **MORTGAGE LENDING**
3 **FRAUD, THEFT, MULTIPLE TRANSACTIONS USING FRAUD OR DECIET IN THE**
4 **COURSE OF ENTERPRISE OR OCCUPATION, and PATTERN AND PRACTICE OF**
5 **MORTGAGE LENDING FRAUD.**

6 The seventeen (17) complaints from **MSP** victims currently total over \$35,000. In the
7 course of his investigation your Affiant has discovered that both David and Minerva **YOUNG**
8 were involved in a similar scam using a different business name prior to opening **MSP**. An
9 investigation into that company is still ongoing by the OAG. The **YOUNGS** appear to have had
10 full knowledge of their scam and preyed on vulnerable consumers looking to achieve
11 monetary flexibility and better quality of life. David **YOUNG** portrayed himself and **MSP** as a
12 knowledgeable licensed Covered Service Provider and guaranteed his results. David and
13 Minerva **YOUNG** made numerous material misrepresentations to these consumers who were
14 left with no services from **MSP** while David and Minerva **YOUNG** lived off their hard earned
15 money and made lavish purchases off of their backs.

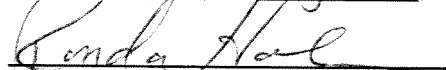
16 Wherefore, your Affiant requests that a warrant for the arrest of David **YOUNG** and
17 **MINERVA YOUNG.**

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Christopher Klein, Investigator
State of Nevada
Office of the Attorney General
Bureau of Consumer Protection

STATE OF NEVADA
COUNTY OF CLARK
SUBSCRIBED and SWORN TO before me
by Christopher Klein
this 29 day of August, 2012


NOTARY PUBLIC, in and for said
County and State

