

1 Case No. 10-054-2405; SG11-0848



FILED

June 10 2015

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4 STATE BAR OF NEVADA

STATE BAR OF NEVADA  
BY: *William Scudap*  
OFFICE OF BAR COUNSEL

5 SOUTHERN NEVADA DISCIPLINARY BOARD

6 STATE BAR OF NEVADA, )  
7 Complainant, )  
8 vs. )  
9 JESS MARCHESE, ESQ., )  
10 BAR NO. 8175, )  
Respondent. )

PUBLIC REPRIMAND

11 TO: Jess Marchese, ESQ.  
12 601 S. Las Vegas Blvd.  
Las Vegas, NV 89101

13 This Complaint comprises two (2) matters for which you have agreed to plead  
14 guilty to in exchange for a stated form of discipline pursuant to SCR 11. The facts of the  
two matters are summarized below.

15 **Count 1 10-05402405**, Tony Frascarelli, Chief Compliance Investigator with the  
16 State of Nevada Division of Mortgage Lending forwarded several matters to the State Bar  
17 which originated as complaints to the Division of Mortgage and Lending from consumers  
who originally contracted with Consumer Loan Advocacy Group (CLAG) to assist them  
with loan modifications.

18 The complaints referred by Mr. Frascarelli against you have a common thread.  
19 Each of those complaining individuals was in need of assistance to modify their  
mortgages and as such they retained CLAG for assistance in this manner.

20 In 2009, the regulatory scheme involving those engaged in the mortgage loan  
21 modification business changed and in order to continue operating as a loan modification  
22 company, the company either had to get licensed by the State of Nevada, or to associate  
with an attorney which at that time removed the modification company from oversight by  
the Division of Mortgage and Lending.

23 Given this change in the regulatory scheme, CLAG opted to associate with your  
24 firm on June 5, 2009. The complainants in this matter were clients of CLAG before you  
25 absorbed CLAG. Indeed, all the monies paid were paid directly to CLAG well before your  
association with CLAG. In each of these cases, the individuals were promised at the time

1 they retained CLAG that they would receive a mortgage modification, and/or a principal  
2 reduction from non-lawyers working for CLAG. When these matters were ultimately  
3 denied CLAG denied responsibility instead telling the clients that it was the lender's fault  
4 or alternatively that they did not make sufficient income to qualify of a modification.

5 You acknowledge that you should have investigated CLAG more thoroughly  
6 before engaging in a business relationship with them and that you should not have  
7 engaged in a partnership with non-lawyers in any event.

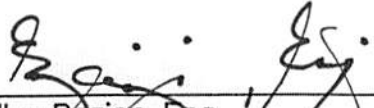
8 Your conduct as stipulated herein violates Rule of Professional Conduct (RPC) 1.2  
9 (Scope of Representation) for accepting the CLAG clients as your own without consulting  
10 them regarding your role in representation, and RPC 5.4 (Professional Independence of a  
11 Lawyer), for agreeing to a business relationship with non-lawyer CLAG. Based upon the  
12 foregoing you are hereby **PUBLICLY REPRIMANDED**.

13 **Count 2 SG11-0848** The grievant in this case was another client of CLAG who  
14 had signed up with CLAG prior to being absorbed into your firm. Like the other CLAG  
15 clients, this individual was promised a loan modification and/or a principal reduction.

16 In this matter, it is undisputed that you worked diligently to try and obtain the client  
17 a loan modification, and actually did obtain loan modifications on many matters.  
18 Unfortunately you were unable to accomplish the things the client was promised by  
19 CLAG prior to being absorbed. As a result the client had unrealistic expectations as to  
20 what your representation could accomplish.

21 You acknowledge that you should have investigated CLAG more thoroughly  
22 before entering into a business relationship with CLAG especially in light of the promises  
23 CLAG made to its clients before your representation.

24 Your conduct as stipulated herein violates Rule of Professional Conduct (RPC) 1.2  
25 (Scope of Representation) for accepting the CLAG clients as your own without consulting  
them regarding your role in representation, and RPC 5.4 (Professional Independence of a  
Lawyer), for agreeing to a business relationship with non-lawyer CLAG. Based upon the  
foregoing you are hereby **PUBLICLY REPRIMANDED**

20  6-10-15  
21 Ellen Bejian, Esq.  
22 Formal Hearing Panel Chair  
23 Southern Nevada Disciplinary Board