

1 STATE OF NEVADA
2 DEPARTMENT OF BUSINESS AND INDUSTRY
3 DIVISION OF MORTGAGE LENDING

4 Before the Commissioner of the Division of Mortgage Lending

5 _____)
6 In the Matter of:)
7)
8 CATHERINE HYDE AND KIMBERLY ERIN LEONAS)
9 D/B/A CCIS MANAGEMENT,) Case No. 2015-006
10 Covered Service Provider License No. UNL,) Order No. 2015-006
11 and)
12)
13 CATHERINE HYDE,)
14 Associated Covered Service Provider License No. UNL,)
15 and)
16)
17 KIMBERLY ERIN LEONAS,)
18 Associated Covered Service Provider License No.: UNL)
19)
20 Respondents.)
21 _____)

22 ORDER TO CEASE AND DESIST,
23 ORDER IMPOSING AN ADMINISTRATIVE FINE AND ADMINISTRATIVE COSTS,
24 ORDER TO PRODUCE RECORDS
25 AND
26 NOTICE OF OPPORTUNITY FOR HEARING

27 Issued and Entered,
28 This 26th day of June, 2015,
By James Westrin,
Commissioner

I.
ORDER TO CEASE AND DESIST
AND
ORDER IMPOSING AN ADMINISTRATIVE FINE AND ADMINISTRATIVE COSTS

The Commissioner of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Commissioner") having been statutorily charged with the responsibility and

1 authority to administer and enforce Chapter 645F of the Nevada Revised Statutes, NRS 645F.010 *et*
2 *seq.*, and Chapter 645F of the Nevada Administrative Code, NAC 645F.005 *et seq.*, governing the
3 licensing and conduct of covered service providers in the State of Nevada; and,

4 The Commissioner having been vested with general supervisory power and control over all
5 covered service providers doing business in the State of Nevada pursuant to NRS 645F; and,

6 The Commissioner having been further vested with broad authority to conduct investigations to
7 determine whether any person has violated any provision of NRS 645F or NAC 645; and,

8 The Division of Mortgage Lending (the "Division") having received information indicating that
9 CATHERINE HYDE and KIMBERLY ERIN LEONAS D/B/A CCIS MANAGEMENT ("CCIS"), and
10 CATHERINE HYDE ("HYDE") and KIMBERLY ERIN LEONAS ("LEONAS") (collectively,
11 "RESPONDENTS) were engaged in activities requiring licensure as a covered service provider
12 pursuant to the provisions of NRS 645F.010 *et seq.*; and,

13 The Division having commenced an investigation pursuant to NAC 645F.435 and NAC
14 645F.440 and determined, from that investigation, that RESPONDENTS were engaged in activities
15 requiring licensure as a covered service provider pursuant to the provisions of NRS 645F.010 *et seq.*
16 and NAC 645F.005 *et seq.*; and,

17 The Division staff having reported the results of its investigation to the Commissioner; and,

18 The Commissioner having reviewed the results of the investigation and made the following
19 FINDINGS OF FACT and CONCLUSION OF LAW:

20 **Findings of Fact**

21 1. NAC 645F.200 provides as follows:

22 A person shall not advertise services as, provide any of the services of, act
23 as or conduct business as a covered service provider, foreclosure
24 consultant or loan modification consultant or otherwise engage in, carry
25 on or hold himself out as engaging in or carrying on the activities of a
26 covered service provider, foreclosure consultant or loan modification
27 consultant unless the person has a license as a covered service provider,
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1 foreclosure consultant or loan modification consultant, as applicable,
2 issued pursuant to this chapter and chapter 645F of NRS.

3 2. Pursuant to NRS 645F.310, "Covered Service" is defined to include, without limitation,
4 all of the following:

5 1. Financial counseling, including, without limitation, debt counseling
6 and budget counseling.

7 2. Receiving money for the purpose of distributing it to creditors in
8 payment or partial payment of any obligation secured by a mortgage or
9 other lien on a residence in foreclosure.

10 3. Contacting a creditor on behalf of a homeowner.

11 4. Arranging or attempting to arrange for an extension of the period
12 within which a homeowner may cure a default and reinstate an obligation
13 pursuant to a note, mortgage or deed of trust.

14 5. Arranging or attempting to arrange for any delay or postponement of
15 the time of a foreclosure sale of a residence in foreclosure.

16 6. Advising a homeowner regarding the filing of any document or
17 assisting in any manner in the preparation of any document for filing with
18 a bankruptcy court.

19 7. Giving any advice, explanation or instruction to a homeowner which
20 in any manner relates to the cure of a default in or the reinstatement of an
21 obligation secured by a mortgage or other lien on a residence, the full
22 satisfaction of the obligation, or the postponement or avoidance of a
23 foreclosure sale.

24 8. Arranging or conducting, or attempting to arrange or conduct, for a
25 homeowner any forensic loan audit or review or other audit or review of
26 loan documents.

27 9. Arranging or attempting to arrange for a homeowner the purchase by a
28 third party of the homeowner's mortgage loan.

1 10. Arranging or attempting to arrange for a homeowner a reduction of
2 the principal of the homeowner's mortgage loan when such a mortgage
3 loan is held by or serviced by a third party.

4 11. Providing the services of a loan modification consultant.

5 12. Providing the services of a foreclosure consultant.

6 3. NRS 645F.320 defines a "Foreclosure consultant" as follows:

7 "Foreclosure consultant" means a person who, directly or indirectly,
8 makes any solicitation, representation or offer to a homeowner to perform
9 for compensation, or who, for compensation, performs any covered service
10 that the person represents will do any of the following:

- 11 1. Prevent or postpone a foreclosure sale;
 - 12 2. Obtain any forbearance from any mortgagee or beneficiary of a deed
13 of trust;
 - 14 3. Assist the homeowner to exercise the right of reinstatement provided
15 in the legal documents;
 - 16 4. Obtain any extension of the period within which the homeowner may
17 reinstate the homeowner's obligation;
 - 18 5. Obtain any waiver of an acceleration clause contained in any
19 promissory note or contract secured by a mortgage on a residence in
20 foreclosure or included in the mortgage or deed of trust;
 - 21 6. Assist the homeowner in foreclosure or loan default to obtain a loan or
22 advance of money;
 - 23 7. Avoid or ameliorate the impairment of the homeowner's credit
24 resulting from the recording of a notice of default or the conduct of a
25 foreclosure sale;
 - 26 8. Save the homeowner's residence from foreclosure; or
 - 27 9. Assist the homeowner to obtain a foreclosure reconveyance.
- 28

1 4. NRS 645F.365 defines a “Loan modification consultant” as follows:
2 “Loan modification consultant” means a person who, directly or indirectly,
3 makes any solicitation, representation or offer to a homeowner to perform
4 for compensation, or who, for compensation, performs any act that the
5 person represents will adjust the terms of a mortgage loan in a manner not
6 provided for in the original or previously modified mortgage loan. Such an
7 adjustment includes, without limitation:

- 8 1. A change in the payment amount;
- 9 2. A change in the loan amount;
- 10 3. A loan forbearance;
- 11 4. A change in the loan maturity; and
- 12 5. A change in the interest rate.

13 5. NAC 645F.800 provides as follows:

14 It is unlawful for any person to provide or offer to provide any of the
15 services of a covered service provider, foreclosure consultant or loan
16 modification consultant or otherwise to engage in, carry on or hold himself
17 or herself out as engaging in or carrying on the business of a covered
18 service provider, foreclosure consultant or loan modification consultant
19 without first obtaining the applicable license issued pursuant to this
20 chapter and chapter 645F of NRS, unless the person:

- 21 1. Is exempt from the provisions of this chapter and chapter 645F of NRS;
- 22 and
- 23 2. Complies with the requirements for that exemption.

24 6. NRS 645F.380(6) provides an exemption from the licensure requirements otherwise
25 applicable to a “foreclosure consultant” for a person who is licensed pursuant to chapter 692 of the NRS
26 (the provisions governing title insurance) or any chapter of title 54 of the NRS (the provisions
27 governing professions, occupations and businesses) while acting under the authority of that license.

1 7. On or about December 4, 2014, the Division commenced an investigation into
2 RESPONDENTS business practices pursuant to NAC 645F.435 and NAC 645F.440.

3 8. During the course of the investigation the Division determined that the RESPONDENTS
4 were actively engaged in activities requiring licensure as an independent and associated covered service
5 provider, respectively under NRS 645F and were not exempt from the licensure requirements.

6 9. RESPONDENTS are not currently and have never been licensed by the Commissioner as
7 independent or associated covered service providers pursuant to the provisions of NRS 645F.

8 10. The investigation specifically revealed the following:

9 a. HYDE and LEONAS are licensed real estate sales agents in Nevada associated with a
10 licensed real estate agency, Simply Vegas, in its Henderson, Nevada branch office.

11 b. HYDE and LEONAS additionally conduct a private business not licensed in Nevada, but
12 for which HYDE and LEONAS obtained a fictitious name statement to engage, under the entity known
13 as CCIS in Clark County, Nevada.

14 c. On or about December 3, 2014, the Division received a copy of an advertisement that
15 RESPONDENTS circulated and directed by e-mail blast to professionals in the real estate community
16 on August 21, 2014. In that advertisement, RESPONDENTS introduced themselves as
17 “CCIS Management . . . Your Partner for Success!” For a flat fee of \$1,499 due at the time of closing
18 escrow, and with “all deficiencies waived,” the advertisement expressly offers, solicits, or encourages
19 the purchase of CCIS services by professionals in the real estate industry, to perform on their behalf, the
20 negotiations, processing, coordination, and transaction-coordination services related to the making of
21 property short-sales in Nevada. RESPONDENTS expressly declared in bold-faced, underscored type-
22 face: “**KEEP YOUR FULL COMMISSION!!**”

23 d. RESPONDENTS further represented in their advertisement that they would “renegotiate
24 the file as many times as necessary with no additional fees” and touted their alleged status as
25 “experienced Short Sale Processors and fully licensed Real Estate Professionals” who had “[o]ver 20
26 years successful experience in the real estate industry. . . .”

1 e. RESPONDENTS foregoing advertisement urged its recipients to contact CCIS at the
2 telephone number identified, provided opportunity for e-mail reply, and set forth the physical addresses
3 of the Simply Vegas offices for both its Summerlin and Henderson, Nevada, locations.

4 f. RESPONDENTS also maintained a twitter account at the address of
5 <https://twitter.com/ccismanagement> in which they solicited professional purchase of their short-sale
6 services. As promoted in their twitter site in the fall of 2014, RESPONDENTS encouraged real estate
7 agents' utilization of CCIS as follows:

8 --"AGENTS: Call or text us to learn how CCIS Management can help you with those
9 listings on your first appointment."

10 --"Why CCIS for your SHORT SALE?

11 Have piece of mind that you have the right people for the job! Relax, knowing you only
12 pay at COE!"

13 g. In the online residential real estate website, <http://www.trulia.com>, LEONAS specifically
14 advocates CCIS as a real estate transaction management service founded by LEONAS and HYDE,
15 which has "helped homeowners and real estate professionals successfully negotiate short sales with a
16 100% closing success."

17 11. NAC 645F.850 vests in the Commissioner the authority to order a person engaging in
18 activity in violation of NRS 645F or the Regulation to immediately cease and desist from engaging in
19 the activity.

20 12. NRS 645F.410(1) grants the Commissioner the authority to impose an administrative
21 penalty of not more than \$25,000 on any person licensed or required to be licensed pursuant to
22 provisions of NRS 645F who violates any provisions of this chapter or any regulation adopted pursuant
23 thereto or any other applicable law.

24 13. NRS 645F.396(3) grants the Commissioner the authority to inspect the records of a
25 covered service provider, foreclosure consultant, or loan modification consultant.

26 14. Any finding of fact that may be deemed a conclusion of law shall be so construed.
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1 Conclusions of Law

2 15. It is a violation of NAC 645F.200 for a person to advertise, engage in, or otherwise carry
3 on or hold oneself out as engaging in or carrying on the activities of a covered service provider without
4 first obtaining a license under provisions of NRS 645F and NAC 645F.

5 16. Unless otherwise exempt from the provisions of NRS 645F or NAC 645F, it is a
6 violation of NAC 645F.800 for any person to provide or offer to provide any of the services of a
7 covered service provider, foreclosure consultant, or loan modification consultant or otherwise to engage
8 in, carry on or hold himself or herself out as engaging in or carrying on the business of a covered service
9 provider, foreclosure consultant or loan modification consultation without first obtaining the applicable
10 license issued pursuant to the provisions of NRS 645F or NAC 645F.

11 17. By advertising and offering to engage as third-party negotiators, processors, and
12 coordinators of short-sale transactions for payment or compensation distinct from any real estate
13 transaction service that may be performed under the authority of HYDE'S and/or LEONAS' real estate
14 sales-agent license(s), RESPONDENTS have engaged in, or otherwise held themselves out as covered
15 service providers, foreclosure consultants, or loan modification consultants in violation of NAC
16 645F.200 and NAC 645F.800.

17 18. The Commissioner is authorized pursuant to NRS 645F.396(3) to inspect the records of a
18 covered service provider foreclosure consultants, or loan modification consultants.

19 19. Any finding of law that may be deemed a finding of fact shall be so construed.

20 Order

21 The Commissioner having formed the opinion based upon the foregoing that RESPONDENTS
22 engaged in unlicensed activity in violation of NRS 645F and NAC 645F, and concluded and determined
23 that RESPONDENTS should be ordered to: 1) cease and desist violating NRS 645F; 2) pay an
24 administrative fine; 3) pay the Division's administrative costs, and 4) produce and submit records to the
25 Division:

26 NOW, THEREFORE, IT IS ORDERED that RESPONDENTS shall immediately CEASE AND
27 DESIST from advertising, engaging in, or otherwise carrying on or holding themselves out as engaging
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1 in or carrying on any activities of a covered service provider, foreclosure consultant, or loan
2 modification consultant requiring licensure under NRS 645F in the State of Nevada.

3 IT IS FURTHER ORDERED that an ADMINISTRATIVE FINE in the amount of \$25,000.00
4 shall be and hereby is imposed, jointly and severally, on CATHERINE HYDE and KIMBERLY ERIN
5 LEONAS D/B/A CCIS MANAGEMENT, and CATHERINE HYDE and KIMBERLY ERIN LEONAS.
6 The ADMINISTRATIVE FINE shall be due and payable on the 30th day following the effective date of
7 this order and shall be tendered to the Division in accordance with the attached wire transfer
8 instructions.

9 IT IS FURTHER ORDERED that RESPONDENTS shall be and hereby are assessed, jointly and
10 severally, on CATHERINE HYDE and KIMBERLY ERIN LEONAS D/B/A CCIS MANAGEMENT,
11 and CATHERINE HYDE and KIMBERLY ERIN LEONAS, the Division's ADMINISTRATIVE
12 COSTS in the amount of \$1,095.00 in accordance with NRS 622.400. The ADMINISTRATIVE
13 COSTS shall be due and payable on the 30th day following the effective date of this order and shall be
14 tendered to the Division in accordance with the attached wire transfer instructions.

15 IT IS FURTHER ORDERED that within ten (10) calendar days of the effective date of this
16 ORDER, RESPONDENTS shall produce and submit to the Division the records identifying each
17 Nevada homeowner that RESPONDENTS have negotiated and provided short sale services to. The
18 records produced shall, at a minimum, provide: 1) the name, address, and home and mobile telephone
19 number of each Nevada homeowner that paid RESPONDENTS a fee or entered into the Agreement
20 with RESPONDENTS; 2) a copy of each Agreement entered into with each Nevada homeowner; 3) the
21 date(s) that RESPONDENTS had contact with the Nevada homeowner and description of the nature of
22 such contact(s); and 4) the amount of compensation that each Nevada homeowner paid to
23 RESPONDENTS and the date upon which it was paid. The records shall be delivered to the Division at
24 7220 Bermuda Road, Suite A, Las Vegas, Nevada 89119, attention Tony Frascarelli, Chief Compliance
25 Investigator.

26 IT IS FURTHER ORDERED that an administrative hearing shall be scheduled in this matter
27 only if RESPONDENTS timely request an administrative hearing in accordance with the instructions
28 set forth in Section II of this ORDER entitled Notice of Opportunity for an Administrative Hearing. If

1 no administrative hearing is requested within 20 calendar days of the effective date of this ORDER,
2 RESPONDENTS shall be deemed to have waived and relinquished the right to an administrative
3 hearing in this matter and a FINAL ORDER shall be issued.

4 IT IS FURTHER ORDERED that this Order shall be and is effective and enforceable on the
5 date that it is issued and entered, as shown in the caption hereof.

6 IT IS FURTHER ORDERED that this ORDER shall remain effective and enforceable until
7 terminated, modified, set aside, or suspended in writing by the Commissioner.

8 IT IS FURTHER ORDERED that the Commissioner specifically retains jurisdiction over the
9 matters contained herein and has the authority to issue such further order(s) as he shall deem just,
10 necessary, and appropriate to enforce NRS 645F and NAC 645F and protect the public.

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12 IT IS SO ORDERED.

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15 DIVISION OF MORTGAGE LENDING

16
17 By 
18 JAMES WESTRIN,
19 COMMISSIONER
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1 II.

2 NOTICE OF OPPORTUNITY FOR AN ADMINISTRATIVE HEARING

3 NAC 645F.850 provides as follows:

4 1. If a person engages in an activity in violation of the provisions of
5 this chapter or chapter 645F of NRS or an order of the Commissioner, the
6 Commissioner may issue an order to the person directing the person to
7 cease and desist from engaging in the activity.

8 2. The order to cease and desist must be in writing and must state
9 that, in the opinion of the Commissioner, the person has engaged in an
10 activity:

11 (a) For which the person has not received a license as required by this
12 chapter or chapter 645F of NRS; or

13 (b) In a manner that violates the provisions of this chapter or chapter
14 645F of NRS or an order of the Commissioner.

15 3. A person who receives an order to cease and desist pursuant to this
16 section shall not engage in any activity governed by this chapter or
17 chapter 645F of NRS after receiving the order unless the order is
18 suspended or rescinded.

19 4. Not later than 20 calendar days after receiving an order pursuant to this
20 section, the person who receives the order may file a verified petition with
21 the Commissioner to request a hearing. Upon receipt of the verified
22 petition, the Commissioner may, for good cause shown, suspend the order
23 pending the hearing. The Commissioner will hold the hearing on a date
24 not later than 30 calendar days after the date the petition is filed unless the
25 Commissioner and the person agree to another date. The order to cease
26 and desist is rescinded if the Commissioner fails to:

27 (a) Hold a hearing:

28 (1) Not later than 30 calendar days after the petition is filed; or

- 1 (2) On a date agreed to by the Commissioner and the person; or
2 (b) Render a written decision within 45 days after the hearing is
3 concluded.

4 5. The decision of the Commissioner after a hearing is a final decision of
5 the Commissioner for the purposes of judicial review. [Emphasis added.]

6 NAC 645F.855 provides as follows:

7 1. If the Commissioner enters an order taking any disciplinary action
8 against a person, denying a person's application for a license, denying a
9 provider the right to teach approved courses, denying the approval of a
10 provider's course or denying the right of an instructor of a provider to
11 teach an approved course or approved courses, the Commissioner will
12 cause a written notice of the order to be served personally or sent by
13 certified mail or telegram to the person.

14 2. Unless a hearing has already been conducted concerning the matter,
15 the person, upon application, is entitled to a hearing. If the person does
16 not make such an application within 20 days after the date of the initial
17 order, the Commissioner will enter a final order concerning the matter.

18 3. A person may appeal a final order of the Commissioner taking any
19 disciplinary action against the person in accordance with the provisions of
20 chapter 233B of NRS that apply to a contested case. [Emphasis added.]

21 **If you wish to exercise your right to an opportunity for an administrative hearing, within**
22 **20 calendar days after receiving this Order, you must file a verified petition with the**
23 **Commissioner to request a hearing.**

24 The verified petition requesting a hearing must be delivered to:

25 Division of Mortgage Lending
26 Attn. Susan Slack
27 7220 Bermuda Road, Suite A
28 Las Vegas, Nevada 89119

**If you fail to timely file a verified petition to request a hearing, your right to a hearing to
contest this matter will be deemed waived and relinquished.**