

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING

Before the Commissioner of the Division of Mortgage Lending

In the Matter of:

CCM LENDING,
Mortgage Broker License No. UNL,

and

JOEL ARMSTRONG,
Mortgage Broker License No. UNL,
Mortgage Agent License No. 48304,
NMLS ID No. 383660,

Respondents.

Order No. 2015-039

Case No. 2015-039

ORDER TO CEASE AND DESIST,
ORDER IMPOSING AN ADMINISTRATIVE FINE AND INVESTIGATIVE COSTS,
ORDER TO PRODUCE RECORDS,
AND
NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING

Issued and Entered,
This 3rd day of May, 2016,
By James Westrin,
Commissioner

I.
ORDER TO CEASE AND DESIST
AND
ORDER IMPOSING AN ADMINISTRATIVE FINE AND INVESTIGATIVE 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 authority to administer and enforce Chapter 645B of the Nevada Revised Statutes, 645B.010 *et seq.* ("NRS 645B" or the "Statute"), and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 *et seq.* ("NAC 645B" or the "Regulation"), governing the licensing and conduct of mortgage brokers and mortgage agents doing business in the State of Nevada; and,

1 The Commissioner having been vested with general supervisory power and control over all
2 mortgage brokers and mortgage agents doing business in the State of Nevada pursuant to NRS 645B;
3 and,

4 The Commissioner having been further vested with broad authority to conduct investigations to
5 determine whether any person is violating or has violated any provision of the Statute or the Regulation;
6 and,

7 The Division of Mortgage Lending (the "Division") having received information indicating that
8 CCM LENDING ("CCM") and JOEL ARMSTRONG ("ARMSTRONG") (collectively, the
9 "RESPONDENTS") were engaged in activity requiring licensure as a mortgage broker under the
10 Statute; and,

11 The Division having conducted an investigation of RESPONDENTS' business practices
12 pursuant to NRS 645B.060(2)(c), and determined, from that investigation that RESPONDENTS were
13 engaged in activity requiring licensure as a mortgage broker under the Statute; and,

14 The Division Staff ("Staff") having reported the results of its investigation to the Commissioner;
15 and,

16 The Commissioner having reviewed the results of the investigation and made the following
17 FINDINGS OF FACT and CONCLUSIONS OF LAW:

18 **Findings of Fact**

19 1. NRS 645B.900 prohibits any person from offering or providing any of the services of a
20 mortgage broker or mortgage agent or otherwise engaging in, carrying on or holding himself or herself
21 out as engaging in or carrying on the business of a mortgage broker or mortgage agent without first
22 obtaining the applicable license issued pursuant to this chapter, unless the person is properly exempt
23 from licensure.

24 2. NRS 645B.0127(1) defines "Mortgage Broker" to include "any person who, directly or
25 indirectly" does any of the following:

- 26 (a) Holds himself or herself out for hire to serve as an agent for any
27 person in an attempt to obtain a loan which will be secured by a lien on
28 real property;

1 (b) Holds himself or herself out for hire to serve as an agent for any
2 person who has money to lend, if the loan is or will be secured by a lien
3 on real property;

4 (c) Holds himself or herself out as being able to make loans secured
5 by liens on real property;

6 (d) Holds himself or herself out as being able to buy or sell notes
7 secured by liens on real property;

8 (e) Offers for sale in the State any security which is exempt from
9 registration under state or federal law and purports to make investments
10 in promissory notes secured by liens on real property.

11 3. The Division's investigation specifically found the following:

12 a. ARMSTRONG was granted a Nevada mortgage agent license by the Commissioner
13 (License No. 48304, NMLS ID. No. 383660), pursuant to the Statute, on October 26, 2010 and has held
14 that license at all times relevant to this matter.

15 b. In accordance with the Statute, ARMSTRONG is associated with and employed by a
16 Nevada licensed mortgage broker, Citizens Choice Mortgage ("Citizens Choice"), and serves as Citizen
17 Choice's qualified employee for its principal place of business located at 2690 Chandler Avenue #4,
18 Las Vegas, Nevada 89120.

19 c. RESPONDENTS are not currently and have at no time relevant to this matter been
20 licensed as a mortgage broker in Nevada under the Statute.

21 d. Based upon information and belief, ARMSTRONG founded and operates CCM
22 Lending ("CCM"). There is no record of CCM as a domestic or foreign business entity filed with the
23 Nevada Secretary of State and there is no record of CCM filed as a fictitious name with the Clark
24 County, Nevada County Clerk's Office.

25 e. ARMSTRONG established and created a website, located at <http://ccmlending.com>,
26 and established social media pages on Facebook, PR Buzz, and Twitter, where RESPONDENTS hold
27 themselves out as a "direct hard money lender" for real estate loans throughout Nevada and touts CCM
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1 as “Las Vegas’ Top Private Lenders”, “Premier Real Estate Lenders in Las Vegas”, “Las Vegas’
2 Trusted Source for Private Investor Lending”, and “Vegas’ Premier Hard Lenders”.

3 f. RESPONDENTS’ website further states that “CCM Lending originates hard money
4 real estate loans on property that doesn’t always meet bank standards and for borrowers who don’t have
5 time to wait. CCM specializes in providing financing through private real estate loans secured by
6 residential, commercial, industrial and multi-family real estate[.]” and invites borrowers to contact
7 CCM or to make application online through the “Private Money loan Request Form.”

8 g. ARMSTRONG’S biography on the website asserts that he is the “founder and
9 operator of the private money arm of Citizens Choice and claims that CCM is a D/B/A of Citizens
10 Choice. At no time has Citizens Choice been approved and licensed to use or conduct business in the
11 name of “CCM Lending” or any name other than “Citizens Choice Mortgage.” ARMSTRONG’S
12 LinkedIn page identifies ARMSTRONG as a principal of CCM Lending in the business of providing
13 hard-money loans secured by real property in Nevada, California, and Arizona.

14 h. ARMSTRONG’S biography on the website asserts that he is the “founder and
15 operator of the private money arm of Citizens Choice and claims that CCM is a D/B/A of Citizens
16 Choice. At no time has Citizens Choice been approved and licensed to use or conduct business in the
17 name of “CCM Lending” or any name other than “Citizens Choice Mortgage.”

18 4. NAC 645B.515 vests in the Commissioner the authority to order a person engaging in
19 activity in violation of the Statute or the Regulation to immediately cease and desist from engaging in
20 the activity.

21 5. NRS 645B.690 requires the Commissioner to impose an administrative fine of not more
22 than \$50,000 for each violation, on a person that offers or provides any of the services of a mortgage
23 broker or mortgage agent or otherwise engages in, carries on or holds himself or herself out as engaging
24 in or carrying on the business of a mortgage broker or mortgage agent and, at the time the person was
25 required to have a license pursuant to this chapter and the person did not have such a license.

26 6. 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 7. Unless otherwise exempt, it is a violation of NRS 645B.900 for a person to offer or
3 provide any of the services of a mortgage broker or otherwise engage in, carry on or hold himself or
4 herself out as engaging in or carrying on the business of a mortgage broker without first obtaining the
5 applicable license issued pursuant to this chapter.

6 8. By offering or providing the services of a mortgage broker without holding the
7 appropriate license, and not being exempt from the licensure requirements, RESPONDENTS are in
8 violation of NRS 645B.900.

9 9. The Commissioner is authorized pursuant to NAC 645B.515 to order a person to cease
10 and desist from engaging in any activity that violates any provision of the Statute.

11 10. The Commissioner is required pursuant to NRS 645B.690 to impose an administrative
12 fine of not more than \$50,000 for each violation, on a person who offers or provides any of the services
13 of a mortgage broker or otherwise engages in, carries on or holds himself or herself out as engaging in
14 or carrying on the business of a mortgage broker and, at the time the person was required to have a
15 license pursuant to the Statute and the person did not have such a license.

16 11. Any conclusion of law that may be deemed a finding of fact shall be so construed.

17 Order

18 The Commissioner having formed the opinion based upon the foregoing that RESPONDENTS
19 have been or are engaged in activities in violation of the Statute, and concluded and determined that
20 RESPONDENTS should be ordered to: 1) cease and desist from engaging in any activity requiring
21 licensure under NRS 645B; 2) pay an administrative fine; and 3) pay the Division's investigative costs.

22 NOW, THEREFORE, IT IS ORDERED that CCM LENDING and JOEL ARMSTRONG shall
23 immediately CEASE AND DESIST from advertising, engaging in, or otherwise carrying on or holding
24 themselves out as engaging in or carrying on any activities that require licensure as a mortgage broker
25 under the Statute.

26 IT IS FURTHER ORDERED that an ADMINISTRATIVE FINE in the amount of \$20,000.00
27 shall be and hereby is imposed, jointly and severally, on CCM LENDING and JOEL ARMSTRONG in
28 accordance with NRS 645B.690. The ADMINISTRATIVE FINE shall be due and payable on the 30th

1 day following the effective date of this order and shall be tendered to the Division in accordance with
2 the attached wire transfer instructions.

3 IT IS FURTHER ORDERED that RESPONDENTS shall be and hereby are, jointly and
4 severally, assessed the Division's INVESTIGATIVE COSTS in the amount of \$1,100.00, in accordance
5 with NRS 622.400. The INVESTIGATIVE COSTS shall be due and payable on the 30th day following
6 the effective date of this order and shall be tendered to the Division in accordance with the attached
7 wire transfer instructions.

8 IT IS FURTHER ORDERED that within five (5) calendar days of the effective date of this
9 ORDER, RESPONDENTS shall produce and submit to the Division a report identifying every real
10 estate loan secured by residential, commercial, industrial and multi-family property secured by real
11 property located in the state of Nevada. The report shall, at a minimum, provide: 1) the name of each
12 borrower; 2) the property address; 3) the date of closing; 4) the loan amount; and 5) contact information
13 for the borrower including name, address, and home and mobile telephone number.

14 IT IS FURTHER ORDERED that an administrative hearing shall be scheduled in this matter
15 only if RESPONDENTS timely request an administrative hearing in accordance with the instructions
16 set forth in Section II of this ORDER entitled Notice of Opportunity for an Administrative Hearing. **If**
17 **no administrative hearing is requested within 30 calendar days of the effective date of this Order**
18 **RESPONDENTS shall be deemed to have waived and relinquished the right to an administrative**
19 **hearing in this matter and a FINAL ORDER shall be issued in this matter.**

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

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

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

1 IT IS SO ORDERED.

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3 DIVISION OF MORTGAGE LENDING

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5 By: 

6 JAMES WESTRIN, COMMISSIONER

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1 II.

2 NOTICE OF OPPORTUNITY FOR AN ADMINISTRATIVE HEARING

3 NAC 645B.515, provides as follows:

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

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

10 (a) For which the person has not received a license or certificate of
11 exemption as required by chapter 645B of NRS; or

12 (b) In a manner that violates the provisions of this chapter or chapter
13 645B of NRS.

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

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

25 (a) Hold a hearing:

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

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

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

5 **NRS 645B.750, provides as follows:**

6 1. If the Commissioner enters an order taking any disciplinary action against a
7 person or denying a person's application for a license, the Commissioner shall
8 cause a written notice of the order to be served personally or sent by certified
9 mail or telegram to the person.

10 2. Unless a hearing has already been conducted concerning the matter, the
11 person, upon application, is entitled to a hearing. If the person does not make
12 such an application **within 20 days** after the date of the initial order, the
13 Commissioner shall enter a final order concerning the matter.

14 3. A person may appeal a final order of the Commissioner in accordance with
15 the provisions of chapter 233B of NRS that apply to a contested case.
16 [Emphasis added.]

17 **If you wish to exercise your right to an opportunity for an administrative hearing, within**
18 **30 calendar days after receiving this Order, you must file a verified petition with the**
19 **Commissioner to request a hearing.**

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

21 Division of Mortgage Lending

22 Attn. Susan Slack

23 7220 Bermuda Road, Suite A

24 Las Vegas, Nevada 89119

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