

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:

ELUCID, LLC,  
Mortgage Broker License No.3943,  
NMLS ID No. 1035749,

Respondent.

Case No. 2019-012

FINAL ORDER REVOKING MORTGAGE BROKER LICENSE  
TO IMPOSE ADMINISTRATIVE FINE, AND ASSESS INVESTIGATIVE COSTS

Issued and Entered,  
This 3<sup>rd</sup> day of February 2020,  
By Cathy Sheehy,  
Commissioner

WHEREAS, 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, NRS 645B.010 *et seq.* (“the Statute”), and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 *et seq.* (“the Regulation”) (collectively, “the Act”) governing the licensing and conduct of mortgage brokers and mortgage agents doing business in the State of Nevada; and,

WHEREAS, on October 15, 2019, the Commissioner issued to ELUCID, LLC (“RESPONDENT”), NOTICE OF INTENT TO ISSUE AND ENTER FINAL ORDER REVOKING MORTGAGE BROKER LICENSE, IMPOSING ADMINISTRATIVE FINES AND REQUIRING PAYMENT OF INVESTIGATIVE COSTS AND NOTICE OF OPPORTUNITY FOR HEARING, (“the Order”), attached hereto as Exhibit 1 and incorporated herein by this reference; and,

...  
...

1 WHEREAS, the Order called for imposition upon RESPONDENT of an ADMINISTRATIVE  
2 FINE in the amount of \$5,000.00; and,

3 WHEREAS, the Order further called for imposition upon RESPONDENT of INVESTIGATIVE  
4 COSTS in the amount of \$2,580.00; and,

5 WHEREAS, the Order, served on RESPONDENT on or about October 15, 2019, advised  
6 RESPONDENT that RESPONDENT was entitled to an administrative hearing in this matter if  
7 RESPONDENT filed a written request for a hearing within 20 days of receipt of the Order; and,

8 WHEREAS, RESPONDENT failed to exercise their rights to an administrative hearing, timely  
9 or otherwise; and,

10 NOW, THEREFORE, based upon the factual findings set forth above and the files and records  
11 of the Division of Mortgage Lending, IT IS HEREBY ORDERED THAT:

12 1. The findings of fact and conclusions of law set forth in the Order shall be and hereby are  
13 found to be true and correct.

14 2. A FINAL ORDER REVOKING MORTGAGE BROKER LICENSE TO IMPOSE  
15 ADMINISTRATIVE FINE, AND ASSESS INVESTIGATIVE COSTS shall be and hereby is issued  
16 and entered against Respondent pursuant to the Act.

17 3. RESPONDENT's license as a Mortgage Broker (or Mortgage Company) is hereby  
18 revoked.

19 4. An ADMINISTRATIVE FINE in the amount of \$5,000.00 shall be and is imposed upon  
20 Respondent.

21 5. RESPONDENT shall be and are assessed the Division's INVESTIGATIVE COSTS in  
22 the amount of \$2,580.00.

23 6. This Final Order shall be and is effective on the date as issued and entered, as shown in  
24 the caption hereof.

25 7. This Final Order shall remain in effect and fully enforceable until terminated, modified,  
26 or set aside, in writing, by the Commissioner.

27 ...

28 ...



# **EXHIBIT “1”**

STATE OF NEVADA  
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DIVISION OF MORTGAGE LENDING

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In the Matter of:

ELUCID, LLC,  
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NMLS ID No. 1035749,

Respondent.

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NOTICE OF INTENT TO ISSUE AND ENTER FINAL ORDER  
REVOKING MORTGAGE BROKER LICENSE,  
IMPOSING ADMINISTRATIVE FINES AND  
REQUIRING PAYMENT OF INVESTIGATIVE COSTS  
AND  
NOTICE OF OPPORTUNITY FOR HEARING

The Commissioner of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending ("the Commissioner") is statutorily charged with the responsibility and authority to administer and enforce Chapter 645B of the Nevada Revised Statutes, NRS 645B.010 *et. seq.* ("NRS 645B" or "the Statute"), and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 *et seq.* ("NAC 645" or "the Regulation") (collectively, "the Act"), governing the licensing and conduct of mortgage brokers and mortgage agents in the state of Nevada; and,

The Commissioner is granted general supervisory power and control and administrative enforcement authority over all mortgage brokers and mortgage agents doing business in the state of Nevada pursuant to the Act; and,

Pursuant to that statutory authority and responsibility vested in the Commissioner, and in accordance with provisions of NRS 645B and other applicable law, Notice is hereby provided to ELUCID, LLC (hereinafter "ELUCID" or "RESPONDENT") of facts or conduct which, if true, will result in the issuance of a final order against RESPONDENT revoking RESPONDENT'S Nevada mortgage broker license, imposing an administrative fine in the total amount of \$5,000.00 and requiring payment of

1 investigative costs in the amount of \$2,580.00. Notice is further provided to inform RESPONDENT  
2 that prior to the issuance and entry of a final order, RESPONDENT is entitled to an administrative  
3 hearing. If RESPONDENT desires to avail itself of the right to an administrative hearing,  
4 RESPONDENT must timely file a written request for an administrative hearing in accordance with  
5 the instructions set forth in Section III of this Notice.

6 I.

7 FACTUAL ALLEGATIONS

8 1 ELUCID is allegedly an active domestic corporation, formed and existing under the laws  
9 of the state of Nevada, which according to records of the Nevada Secretary of State ("SOS"), was formed  
10 on November 8, 2012 (NV SOS Entity No. E0580742012-7, NV Business ID No. NV20121677-461).  
11 ELUCID's managing member is identified as Dennis S. Sheldon at the business address of 1980 Festival  
12 Plaza Drive, Suite 300, Office 347, Las Vegas, Nevada 89135. RESPONDENT'S Clark County, Nevada  
13 business license, as obtained on or about December 14, 2017, has since been revoked.

14 2. ELUCID was initially or originally licensed to conduct the business of a mortgage broker  
15 in Nevada under the entity name "Omega Capital Partners, LLC" ("Omega") and then obtained  
16 Commissioner authorization for change of name to "PrimeCap Lending, LLC" ("PrimeCap").  
17 Specifically, on or about June 6, 2013, Omega made application for and was granted a Nevada mortgage  
18 broker by the Commissioner (MLD License No. 3943, NMLS ID No. 1035749) pursuant to the Act. On  
19 or about October 30, 2014 or November 4, 2014, the Commissioner approved a name change for the  
20 company authorizing it to operate as PrimeCap, at which same approximate time, change of control was  
21 transferred to Mr. Sheldon to reflect his 40% ownership interest in the company to a 100% ownership  
22 interest. On or about December 1, 2017, the Commissioner yet again approved a name change, which  
23 since on or about December 1, 2017, has authorized the company to operate as ELUCID, of which Mr.  
24 Sheldon remains as the 100% owner. Upon information and belief, Mr. Sheldon has remained the  
25 managing member and/or control person of the company throughout the corporate existence of all three  
26 of these above-described companies.

27 ...

28 ...

1           3.       At all times relevant herein, ELUCID has held a mortgage broker license (the *same* license  
2 as held when operating the company identified first as Omega and then PrimeCap) under the Statute and is  
3 therefore subject to the jurisdiction of the Commissioner.

4           4.       A mortgage broker license issued under the Act expires annually on December 31<sup>st</sup>,  
5 unless properly renewed by the holder of the license in accordance with the requirements set forth in  
6 NRS 645B.050(1).

7           5.       At the time of initial licensure as a mortgage broker, and at all times thereafter,  
8 NRS 645B.020(3) requires that the holder of an existing license continue to satisfy the criteria for  
9 licensure under NRS 645B.020(3), which provides in pertinent part as follows:

10                   Except as otherwise provided by law, the Commissioner shall issue a  
11 license to an applicant as a mortgage broker if:

12                   (a) The application is verified by the Commissioner and complies  
13 with the requirements of this chapter; and

14                   (b) The applicant and each general partner, officer or director of the  
15 applicant, if the applicant is a partnership, corporation or unincorporated  
16 association:

17                   (1) Has demonstrated financial responsibility, character and  
18 general fitness so as to command the *confidence of the community* and  
19 warrant a determination that the applicant will operate *honestly, fairly and*  
20 *efficiently* for the purposes of this chapter.

\*\*\*

21                   (3) Has not made a *false statement of material fact* on the  
22 application.

23                   (4) Has never had a license or registration as a mortgage agent,  
24 mortgage banker, *mortgage broker* or residential mortgage loan originator  
25 *revoked* in this State or *any other jurisdiction* or had a financial services  
26 license revoked within the immediately preceding 10 years.

27                   (5) *Has not violated any provision of this chapter or chapter*  
28 *645E of NRS, a regulation adopted pursuant thereto or an order of the*  
*Commissioner.*

[Emphasis added.]

6.       NRS 645B.670(1)(b) specifically states that for each violation committed by a mortgage  
broker, the Commissioner may impose upon the mortgage broker an administrative fine of not more  
than \$25,000, may suspend, revoke or place conditions upon the mortgage broker's license, or may do  
both, if the mortgage broker, whether or not acting as such:

\*\*\*

(3) Does not conduct his or her business in accordance with law or has  
*violated any provision of this chapter, a regulation adopted pursuant to*  
*this chapter or an order of the Commissioner;*

\*\*\*

1 (7) Has knowingly made or caused to be made to the Commissioner  
2 any *false representation or material fact or has suppressed or withheld*  
3 *from the Commissioner* any information which the mortgage broker  
4 possesses and which, if submitted by the mortgage broker, would have  
rendered the mortgage broker ineligible to be licensed pursuant to the  
provisions of this chapter;

\*\*\*

5 (9) Has refused to permit an examination by the Commissioner of his  
6 or her books and affairs or *has refused or failed, within a reasonable time,*  
7 to furnish any information or make any *report* that may be required by the  
8 Commissioner pursuant to the provisions of this chapter or a regulation  
adopted pursuant to this chapter;

\*\*\*

9  
10 [Emphasis added.]

11 7. NAC 645B.520 provides that the Commissioner *will* suspend or revoke the license of a  
12 person who commits a *major violation*, which NAC 645B.004 defines as a violation of the provisions  
13 of the Act:

14 (1) Which causes substantial loss or harm to any person or which,  
15 in the opinion of the Commissioner, could have caused substantial loss or  
harm to any person;

16 (2) For which the Commissioner has taken disciplinary action  
17 repeatedly, *except* a violation for the late filing of required reports,  
financial statements or fees that the Commissioner considers to be a *minor*  
*violation*; or

18 (3) Which, in the opinion of the Commissioner, was the result of  
19 willful misconduct or *indifference to the obligations of the mortgage*  
*broker* pursuant to this chapter or chapter 645B of NRS.

20 [Emphasis added.]

21 8. Pursuant to NRS 645B.740, the expiration or revocation of a license of a mortgage  
22 broker or mortgage agent by operation of law or by order or decision of the Commissioner or a court of  
23 competent jurisdiction, or the voluntary surrender of a license, does *not*:

24 (1) Prohibit the Commissioner from initiating or continuing an  
25 investigation of, or action or disciplinary proceeding against, the mortgage  
26 broker or mortgage agent as authorized pursuant to the provisions of the  
Act; or

27 (2) Prevent the imposition or collection of any fine or penalty  
28 authorized pursuant to the provisions of the Act against the mortgage  
broker or mortgage agent.





1 [Emphasis added.]

2 Similarly, NAC 645B.070(1) mandates as follows:

3 Each mortgage broker shall submit, for each month, on a form approved  
4 by the Commissioner, a report on the volume of loans arranged in that  
5 month. If the mortgage broker is performing loan servicing and maintains  
6 any accounts described in subsection 4 of NRS 645B.175, the monthly  
7 report must include the information required pursuant to subsections 2 and  
8 3. The monthly report must be submitted to the Commissioner by the *15th*  
9 *day of the month* following the month for which the report was made. If  
10 no loans were arranged in that month, the report must state that fact.

11 [Emphasis added.]

12 12. As amended effective January 1, 2018, NRS 645B.080(2) states that the requirements of  
13 such provision are subject to subsection 3 of NRS 645B.080, which was added to state that “[t]he  
14 Commissioner may waive the requirement to submit a report pursuant to subsection 2 if substantially  
15 similar information is available to the Commissioner from another source.”

16 13. The Commissioner has not waived RESPONDENT’S responsibility and requirement to  
17 submit any report of RESPONDENT’S activity for the previous month as provided in  
18 NRS 645B.080(3).

19 14. On April 16, 2019, the Division provided e-mail notification to RESPONDENT’S  
20 designated primary contact advising that it had not received RESPONDENT’S monthly activity report  
21 for the month of March 2019. The Division explained that failure to furnish, within a reasonable time,  
22 any information or make any report that may be required by the Commissioner is cause for possible  
23 disciplinary action. Three days after it was due, the Division received such report from RESPONDENT  
24 on April 18, 2019.

25 15. On May 16, 2019, the Division provided e-mail notification to RESPONDENT’S  
26 designated primary contact advising that it had not received RESPONDENT’S monthly activity report  
27 for the month of April 2019 and advised that failure to furnish, within a reasonable time, any  
28 information or make any report that may be required by the Commissioner is cause for possible  
disciplinary action. Four days later, on May 20, 2019, having yet to receive such report, the Division  
repeated its notification, accompanied by the warning concerning potential disciplinary action, and

...

1 requested that it be provided to the Division no later than May 23, 2019. RESPONDENT again failed  
2 to meet the expressed deadline.

3 16. On July 17, 2019, the Division provided e-mail notification directly to Mr. Sheldon,  
4 advising that it had not received RESPONDENT'S monthly activity report for the month of July 2019  
5 and requested that such report be submitted to the Division no later than July 19, 2019 to avoid possible  
6 disciplinary action. On July 22, 2019, three days following passage of the *extended* deadline granted,  
7 without having received the monthly activity report for the month of July 2019, the Division e-mailed  
8 Mr. Sheldon again to demand that it be submitted no later than July 25, 2019 to avoid possible  
9 disciplinary action. RESPONDENT again failed to meet the expressed deadline.

10 17. On July 29, 2019, Sheila Smith, Vice-President of RESPONDENT'S Lending  
11 Operations, e-mailed the Division to explain that RESPONDENT had "closed it's [sic] door earlier in  
12 the year" and was unaware that after its license had been voluntarily surrendered, the company was  
13 required to provide additional items to the Division. She asked if RESPONDENT could have until  
14 August 16, 2019 to submit all appropriate paperwork.

15 18. On August 12, 2019, the Division's Deputy Commissioner provided e-mail response to  
16 Ms. Smith, granting an extension for RESPONDENT'S submission of its required monthly activity  
17 reports, to August 16, 2019. Accordingly, RESPONDENT finally submitted its monthly activity  
18 reports for the months of April 2019, May 2019, June 2019, and July 2019, on *August 16, 2019*.

19 19. Contrary to the requirements of NRS 645B.080(2) effective January 1, 2018,  
20 RESPONDENT failed to timely submit to the Commissioner its monthly activity reports for the months  
21 of March 2019, April 2019, May 2019, June 2019, and July 2019. Despite the numerous e-mailed  
22 notifications to RESPONDENT since April 2019 seeking submission of past-due monthly activity  
23 reports, and granting extended deadlines, RESPONDENT did not timely file its monthly activity report  
24 for the month of March 2019 until April 18, 2019, and failed to submit *already-late* monthly activity  
25 reports for the months of April through July of 2019 until August 16, 2019--only after it was granted  
26 *further extension* to accomplish such filings.

27 20. RESPONDENT'S history of not filing monthly activity reports as timely required was  
28 cited in the Division's Letter of Caution issued to the RESPONDENT (specifically Omega) on or about

1 September 19, 2013, consequential Notice of Intent to Impose Administrative Fine and Notice of  
2 Opportunity for Hearing (“Notice of Intent”) issued on approximately January 3, 2014 following  
3 Omega’s failure to abide with the Letter of Caution (Case No. 2013-20), and based upon Omega’s  
4 failure to timely exercise its right to an opportunity for administrative hearing concerning the Notice of  
5 Intent, ultimately issued and entered against RESPONDENT on March 25, 2014, a Final Order  
6 Imposing Administrative Fine (“Final Order” in Case No. 2013-20). Mandating payment of a  
7 \$2,500.00 administrative fine, the Final Order in Case No. 2013-20 specifically expressed that  
8 RESPONDENT “shall henceforth ensure that it timely files its monthly activity reports in accordance  
9 with NRS 645B.080(2).”

10 21. ELUCID’S failures to timely file with the Commissioner its monthly activity report for  
11 the months of March 2019, April 2019, May 2019, June 2019, and July 2019, violates  
12 NRS 645B.080(2), NAC 645B.070(1), NRS 645B.670(1)(b)(3), and NRS 645B.670(1)(b)(9), thereby  
13 subjecting RESPONDENT to all administrative penalties under the Act. The Division specifically  
14 imposes upon RESPONDENT, an administrative fine in the collective amount of \$1,000.00 for such  
15 violations as described herein.

16 COUNT II

17 Violation of Prior Orders Issued and Entered by the Commissioner

18 22. The Division re-alleges and incorporates all foregoing facts and allegations as though  
19 fully set forth herein.

20 23. NRS 645B.670(1)(b)(3) provides that it is a violation of the Act for a mortgage broker to  
21 violate an order of the Commissioner.

22 24. On or about September 19, 2013, based upon Omega’s failures to timely file its monthly  
23 activity reports for the months of June 2013, July 2013, and August 2013, the Commissioner served  
24 upon RESPONDENT a Letter of Caution advising that should the company continue to submit  
25 untimely monthly activity reports, the Division may institute formal administrative disciplinary  
26 proceedings against its *license* pursuant to the Statute. Shortly thereafter, when contrary to the Letter of  
27 Caution, RESPONDENT failed to timely file its required monthly activity reports for the months of  
28 October 2013 and November 2013, the Commissioner served upon RESPONDENT, on approximately

1 January 3, 2014, a Notice of Intent to Impose Administrative Fine in Case No. 2013-20. On March 25,  
2 2014, after RESPONDENT failed to timely exercise its right to noticed opportunity for hearing in the  
3 matter, the Commissioner issued and entered its "Final Order" in Case No. 2013-20, which included the  
4 mandate that RESPONDENT "henceforth ensure that it timely files its monthly activity reports in  
5 accordance with NRS 645B.080(2)."

6 25. On August 27, 2015, the Commissioner issued and entered, by consent, Order No. 2015-  
7 014 ("the Consent Order") against RESPONDENT (specifically PrimeCap). The Consent Order  
8 resulted from a Notice of Intent to Impose Discipline and Administrative fine and Assess Investigative  
9 Costs and Notice of Opportunity for Hearing ("Notice of Intent to Impose Discipline") in Case No.  
10 2015-014. The Notice of Intent to Impose Discipline was served upon RESPONDENT on or about  
11 June 23, 2015, based upon PrimeCap's failure to cooperate with the Division, and to submit a  
12 corrective-action plan, and other required information and records requested by the Division in its *Final*  
13 *Report of Examination* of RESPONDENT'S business practices dated and mailed to Respondent on or  
14 about December 5, 2014. NRS 645B.060(2)(d)-(e) authorizes the Division to conduct examinations of  
15 a mortgage broker's Nevada business practices. As explained in the Notice of Intent to Impose  
16 Discipline, the Final Report of Examination documented that among a litany of other transgressions  
17 discovered during the Division's examination of RESPONDENT for the period June 13, 2013 through  
18 April 30, 2014, RESPONDENT failed to keep and maintain complete and suitable records. After the  
19 RESPONDENT failed to request a hearing concerning the matter, the Commissioner thereupon issued  
20 and entered on July 20, 2015, a Final Order Revoking [PrimeCap's] Mortgage Broker License and  
21 Imposing Administrative Fine and Assessing Investigative Costs in Case No. 2015-014 ("Revocation  
22 Order"). Upon RESPONDENT'S receipt of the Revocation Order, RESPONDENT immediately  
23 contacted the Division to indicate it had implemented corrective measures to address the deficiencies  
24 identified in the Final Report of Examination, but misunderstood that it was required to submit a  
25 response to the examination. Thereafter, a meeting between RESPONDENT and Division staff having  
26 been consequentially held to discuss the facts and circumstances of the case, it was determined that  
27 revocation of RESPONDENT'S mortgage broker license should be lifted and such license restored,  
28 *subject to the terms and conditions* of the Consent Order.

1           26.    The express terms and conditions of the Consent Order included RESPONDENT'S  
2 agreement to ensure that: RESPONDENT agrees to establish, implement, and maintain appropriate  
3 policies and procedures to ensure that:

4           a) all of RESPONDENT'S *monthly activity reports*, financial statements, and  
5 mortgage call reports are accurately completed and timely submitted, and

6           b) RESPONDENT timely and thoroughly *responds to any request from the Division*  
7 for any information, documents, records or *reports* that may be required under NRS 645B  
8 or to demonstrate or support compliance with this Consent Order.

9 [Emphasis added.]

10           The Consent Order additionally memorialized RESONDENT'S agreement that "if it fails to  
11 comply with the terms and conditions of this Consent Order such failure is grounds for the revocation of  
12 RESPONDENT'S mortgage broker license or the imposition of any other administrative enforcement  
13 action under NRS 645B." Moreover, by affixing his signature to the voluntary consent to entry of  
14 Consent Order, Mr. Sheldon, as the President of RESPONDENT (specifically PrimeCap) specifically  
15 expressed that he had knowingly and voluntarily consented to the terms and conditions of the Consent  
16 Order, stating he had agreed to fully comply with each and every provision and understood that if he  
17 failed to fully comply with each and every provision of the Consent Order, the Commissioner retained  
18 jurisdiction to issue such further order(s) as the Commissioner may deem just, necessary and  
19 appropriate in accordance with the Statute.

20           27.    Contrary to the terms of both the Commission's Final Order issued against *Omega* in  
21 Case No. 2013-020 (as described in Paragraphs 20 and 24 above), and the Commissioner's subsequent  
22 issued Consent Order concerning *PrimeCap* in Case No. 2015-014 (as described in Paragraphs 25 and  
23 26, above), RESPONDENT has continued to violate the Act. As demonstrated by the foregoing,  
24 particularly as set forth in Count I, above, RESPONDENT has violated the Commissioner's prior orders  
25 by *continuing* to violate the Act, specifically by its failure to timely file with the Commissioner its  
26 monthly activity report for the months of March 2019, April 2019, May 2019, June 2019, and July  
27 2019.

28 ...

1 28. ELUCID'S failures to abide with the express terms of the Final Order subject of Case  
2 No. 2013-020 and the Consent Order subject of Case No. 2015-014 violates NRS 645B.670(1)(b)(3),  
3 thereby subjecting RESPONDENT to all administrative penalties under the Act. The Division  
4 specifically imposes upon RESPONDENT, an administrative fine in the collective amount of \$1,000.00  
5 for such violations as described herein.

6 COUNTS III-VI

7 Making or Causing to be Made to the Commissioner by a Mortgage Broker,  
8 False Representations of Material Fact and/or  
9 Suppression or Withholding Information from the Commissioner

10 Count III: *Misrepresentation / Omission in NMLS filing submitted November 29, 2017*

11 Count IV: *Misrepresentation / Omission in NMLS filing submitted December 20, 2017*

12 Count V: *Misrepresentations / Omissions in NMLS filings submitted January 3, 2018*

13 Count VI: *Misrepresentation / Omission in NMLS filing submitted April 18, 2019*

14 29. The Division re-alleges and incorporates all foregoing facts and allegations as though  
15 fully set forth therein.

16 30. In addition to the conditions for licensure as provided in the Act, the NMLS, as  
17 instructed in both its website and policy guidebooks, sets forth the requirements with which all  
18 applicants for initial licensure as a mortgage broker or mortgage agent, as well as those seeking to  
19 renew existing licensure as a mortgage broker or mortgage agent, must  
20 comply in their efforts to *obtain* or *maintain* such licensure. See  
21 [https://mortgage.nationwidelicencingsystem.org/licensees/resources/LicenseeResources/NMLS%20Gui](https://mortgage.nationwidelicencingsystem.org/licensees/resources/LicenseeResources/NMLS%20Guidebook%20for%20Licensees.pdf)  
22 [debook%20for%20Licensees.pdf](https://mortgage.nationwidelicencingsystem.org/licensees/resources/LicenseeResources/NMLS%20Guidebook%20for%20Licensees.pdf). Regardless of what jurisdiction-specific requirements may be  
23 applicable for such purposes, among the universal obligations as mandated by the NMLS, is that the  
24 applicant or licensee provide and keep current the individual's or company's identifying and contact  
25 information, as well as update and correct any answers as may have changed since the time of prior  
26 submissions, including those made in response specific NMLS disclosure questions related to any state  
27 or federal *regulatory actions* made against the individual or entity within the past 10 years. Indeed,  
28 upon submission of any information through the Registry, the NMLS requires that the person or entity  
attest under penalty of perjury, that the information and statements contained therein, including any

1 other information filed contemporaneously therewith, are true, accurate, and complete, and that the  
2 extent to which any information previously submitted is *not amended*, such information *remains*  
3 *accurate and complete*. Whether a person filing information via the NMLS is doing so on an individual  
4 basis, on behalf of a company's employed or associated mortgage agent, or on behalf of an entity *itself*,  
5 each authorized submitting person remains responsible for reviewing and confirming that all  
6 information contained in the person's/entity's online NMLS records are true and accurate when he or  
7 she performs the required *attestation* to the truth and accuracy thereof.

8       31. If a mortgage broker has knowingly made or caused to be made to the Commissioner any  
9 false representation or material fact or has suppressed or withheld from the Commissioner any  
10 information which the mortgage broker possesses and which, if submitted by the mortgage broker,  
11 would have rendered the mortgage broker ineligible to be licensed pursuant to the Statute, the mortgage  
12 broker commits a violation of NRS 645B.670(1)(b)(7).

13       32. In each of the attestation oaths filed in support of NMLS filings made both before, and  
14 since the time of RESPONDENT'S most recent name change to "ELUCID," Mr. Sheldon, or other  
15 authorized representatives of RESPONDENT, have respectively attested on behalf of the company that  
16 the information contained in the entity's online NMLS records were "true, accurate and complete," that  
17 to the extent any information previously submitted was not amended, such information "remains  
18 accurate and complete," and that he or she would keep the information contained in the form current  
19 and to file accurate supplementary information on a timely basis.

20       33. By November 29, 2017, the date that Mr. Sheldon submitted the NMLS filing on behalf  
21 of RESPONDENT to amend/identify its new legal name as ELUCID effective December 2, 2017, the  
22 Commissioner had already issued and entered both the Final Order subject of Case No. 2013-020  
23 (against Omega on March 25, 2014) and the *Consent Order* subject of Case No. 2015-014 (concerning  
24 PrimeCap on August 27, 2015). RESPONDENT accordingly and *appropriately* answered "Yes" to  
25 NMLS Regulatory Action Disclosure Questions (C)(2) and (C)(4), which asks as follows:

26               (C) In the past 10 years, has any State or federal regulatory agency or  
27 foreign financial regulatory authority or self-regulatory organization  
28 (SRO) ever:



1 (2) found the entity or a control affiliate to have been involved in a  
2 violation of a financial services-related regulation(s) or statute(s)?

3 (4) entered an order against the entity or a control affiliate in  
4 connection with a financial services-related activity?

5 However, in his accompanying disclosure explanation concerning these affirmative responses,  
6 despite having sworn or affirmed to the truth, accuracy and completeness of such NMLS filing, Mr.  
7 Sheldon, in his capacity as managing member, officer, or control person of RESPONDENT, continued  
8 to identify only what was previously uploaded on September 26, 2014---a copy of the Commissioner's  
9 *Final Order* as issued and entered on March 25, 2014. Based upon the existence of the August 27,  
10 2015 *Consent Order*, RESPONDENT was required to have identified and included both a description  
11 and uploaded copy of that issued order, as well.

12 34. On December 20, 2017, in connection with the most recent NMLS filing submitted by  
13 RESPONDENT prior to obtaining renewal of its mortgage agent license for the Year 2018, while again  
14 appropriately answering "Yes" to NMLS Regulatory Action Disclosure Questions (C)(2) and (C)(4) as  
15 described in Paragraph No. 33, above, Mr. Sheldon, despite having sworn or affirmed to the truth,  
16 accuracy and completeness of such NMLS filing, continued to identify only what was previously  
17 uploaded on September 26, 2014---a copy of the Commissioner's *Final Order* as issued and entered on  
18 March 25, 2014. Based upon the existence of the August 27, 2015 *Consent Order*, RESPONDENT was  
19 required to have identified and included both a description and uploaded copy of that issued order, as  
20 well.

21 35. On January 3, 2018, within the course of approximately one hour, RESPONDENT  
22 submitted *three* separate NMLS filings to revise certain information contained in its online records. Yet  
23 again, however, while continuing to appropriately reply "Yes" to NMLS Regulatory Action Disclosure  
24 Questions (C)(2) and (C)(4) as described in Paragraph No. 33, above, Mr. Sheldon (who accomplished  
25 the first filing), as well as Ms. Smith (who accomplished both the second and third filings), despite each  
26 having sworn or affirmed to the truth, accuracy and completeness of such NMLS filing, identified only  
27 what was previously uploaded on September 26, 2014---a copy of the Commissioner's *Final Order* as  
28 issued and entered on March 25, 2014. Based upon the existence of the August 27, 2015 *Consent*

1 *Order*, RESPONDENT was required to have identified and included both a description and uploaded  
2 copy of that issued order, as well.

3 36. On September 6, 2013, RESPONDENT obtained a Finance Lenders Law License from  
4 the California Department of Business Oversight (“CA-DBO”). On or about February 14, 2019, finding  
5 that ELUCID had yet to pay its annual assessment as RESPONDENT had been advised by that State  
6 regulatory agency on September 26, 2018, was due within 20 days thereafter, the Commissioner of the  
7 CA-DBO issued an *Order Summarily Revoking California Residential Mortgage Lender and/or*  
8 *Servicer License Pursuant to Financial Code Section 50401* (“California revocation order”) effective  
9 February 14, 2019.

10 37. On April 18, 2019, over two months following issuance of the California revocation  
11 order, RESPONDENT submitted the most recent NMLS filing as appears on the NMLS website. While  
12 again appropriately answering “Yes” to NMLS Regulatory Action Disclosure Questions (C)(2) and  
13 (C)(4) as described in Paragraph No. 33, above, Ms. Smith, in her capacity as an officer or control  
14 person of RESPONDENT, despite having sworn or affirmed to the truth, accuracy and completeness of  
15 such NMLS filing, failed to identify the California revocation order, failed to explain such order, and  
16 failed to upload a copy of such order to the NMLS website. Moreover, RESPONDENT, via Ms. Smith,  
17 continued to identify only what was previously uploaded on September 26, 2014---a copy of the  
18 Commissioner’s *Final Order* as issued and entered on March 25, 2014. Based upon the existence of the  
19 August 27, 2015 *Consent Order*, RESPONDENT was required to have included both a description and  
20 uploaded copy of that issued order as well

21 38. Contrary to what Mr. Sheldon and/or Ms. Smith swore or attested as being true, current,  
22 and complete, the NMLS submissions filed on behalf of RESPONDENT, as described in Paragraphs 32  
23 through 37, above (particularly with respect to those filed on November 29, 2017; December 20, 2017;  
24 January 3, 2018; and April 18, 2019), were not true, current, and complete. RESPONDENT’S  
25 continued failures to submit truthful, accurate, and complete information in its NMLS records constitute  
26 the making of false statements, misrepresentations, or omissions of material fact concerning its  
27 applications or filings in violation of NRS 645B.670(1)(b)(7), thereby subjecting RESPONDENT to all

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1 administrative penalties under the Act. The Division specifically imposes upon RESPONDENT, an  
2 administrative fine in the collective amount of \$1,000.00 for such violations as described herein.

3 COUNT VII

4 Failures to Respond or Clear Noticed Licensing Deficiencies, including the Failure to Provide the  
5 Documentation Required for Approval of License Surrender and Office Closure

6 39. The Division re-alleges and incorporates all foregoing facts and allegations as though  
7 fully set forth therein

8 40. Among the numerous conditions which must be satisfied for obtaining and maintaining  
9 licensure as a Nevada mortgage broker under the Act are the specified requirements and duties related  
10 to the procurement of surety bonds (see NRS 645B.042), the submission of financial statements and  
11 reports of financial condition (see NRS 645B.080 and NRS 645B.085), and the designation of qualified  
12 employee(s) (see NAC 645B.055).

13 41. NAC 645B.064(1) mandates each mortgage broker to pay to the Division an annual  
14 assessment as required by NRS 645F.180 to cover the costs related to the employment of a certified  
15 public accountant and the performance of audits and examinations conducted by the Division.  
16 NAC 645B.064(2) provides that the Division will bill each mortgage broker for the assessment which  
17 must be paid within 30 calendar days after the date the bill is received. A charge of 10 percent of the  
18 assessment will be imposed on any mortgage broker whose assessment is received by the Division after  
19 the date on which the assessment is due, but the Commissioner may waive the penalty for good cause.  
20 NAC 645B.064(3).

21 42. NAC 645B.057(6) provides that a mortgage broker may not surrender his or her license  
22 or close his or her principal office or a branch office until: (a) The mortgage broker has returned his or  
23 her original license and (b) The Commissioner has approved the surrender or closure.  
24 NRS 645B.057(7) sets forth what information that mortgage broker must provide to obtain such  
25 approval:

26 The request for approval of the surrender of the license or closure of the  
27 principal office of the mortgage broker or a branch office must contain the  
28 following information:

1 (a) The status of any incomplete applications for mortgage loans and the  
2 manner in which the loans will be finalized;

3 (b) An accounting of any trust account maintained by the mortgage broker  
4 and the plan for distribution of money in the account;

5 (c) If the mortgage broker is servicing any loans made or arranged by the  
6 mortgage broker under his or her license as a mortgage broker, a listing of  
7 those loans and the plan for transferring those loans to another mortgage  
8 servicer;

9 (d) If any mortgage agent associated with or employed by the mortgage  
10 broker has been terminated pursuant to subsection 3 of NRS 645B.450,  
11 evidence of the termination; and

12 (e) In regard to the records of the mortgage broker maintained pursuant to  
13 subsection 1 of NRS 645B.080 and subsection 5 of NAC 645B.080:

14 (1) The address where the records will be maintained; and

15 (2) The name, telephone number and mailing address of the person  
16 who will be responsible for the maintenance of the records.

17 NRS 645B.057(7).

18 43. The Commissioner will not renew the license of a mortgage broker if the mortgage  
19 broker has not paid all fees, fines and assessments owed to the Division or the State of Nevada; has  
20 failed to provide any required financial statements or reports of condition to the Division or NMLS; or  
21 has failed to provide any other item required by federal or state law or regulation. NAC 645B.061.

22 44. If a mortgage broker has refused or failed, within a reasonable time, to furnish *any*  
23 *information* or make any report that may be required by the Commissioner pursuant to the provisions of  
24 the Act, the mortgage broker commits a violation of NRS 645B.670(1)(b)(9).

25 45. As documented in the NMLS on its "State License Item Information" screen concerning  
26 RESPONDENT'S active license items contained in its online records from approximately April 1, 2019  
27 through September 11, 2019, the Division recorded numerous deficiencies with respect to  
28 RESPONDENT'S licensure or status which RESPONDENT has failed to respond to the Division's  
repeated attempts to rectify. On April 1, 2019, for example, the NMLS reflects that RESPONDENT  
never submitted its financial statement or mortgage call report ("MCR") standard financial condition  
for Licensure Year 2018. Further, the RESPONDENT never responded to the Division's April 16,  
2019 request that RESPONDENT submit its Designation of Qualified Employee Form (the  
RESPONDENT'S alleged new qualified employee having not been approved by the Division to  
perform the duties of a qualified employee as required). After apparent notification by RESPONDENT

1 of its intent to surrender its license, the Division informed RESPONDENT via the NMLS on April 25,  
2 2019, to submit the form entitled *Surrender Checklist with Request for Approval to Close*  
3 *Office/Surrender License*, within 30 days. On May 14, 2019, identifying the e-mail address of the  
4 Division employee to contact, the Division repeated its request, additionally asking that required  
5 attachments be returned within 30 days. In the meantime, on April 16, 2019, having received a  
6 cancellation notice for the bond on file for RESPONDENT, the Division asked that it submit a  
7 replacement electronic bond or reinstatement notice prior to expiration of the bond. Having received no  
8 reply from RESPONDENT, the Division documented and notified RESPONDENT via the NMLS that  
9 the company was out of compliance in Nevada and repeated its request for submission of a replacement  
10 electronic bond or reinstatement notice. Again, but to no avail, the Division identified the e-mail  
11 address of the appropriate Division personnel to contact with questions.

12 46. On July 29, 2019, as provided in Paragraph 17 of Count I, above, in reference to  
13 RESPONDENT'S overdue monthly activity reports, Ms. Smith emailed the Division to explain that  
14 ELUCID had "closed it's [sic] door earlier in the year" and was unaware that after its license had been  
15 voluntarily surrendered, the company was required to provide additional items to the Division. She  
16 asked if RESPONDENT could have until August 16, 2019 to submit all appropriate paperwork. As  
17 provided in Paragraph 18 of Count I, above, the Deputy Commissioner provided e-mail response to Ms.  
18 Smith, in which Ms. Smith was granted an extension to provide submission of the monthly activity  
19 reports to no later than the close of the business day on August 16, 2019. RESPONDENT thus finally  
20 submitted the remaining monthly activity reports as required, but provided no additional information  
21 concerning the items subject of the *remaining deficiencies* concerning RESPONDENT'S licensure as  
22 reflected in the NMLS.

23 47. On September 11, 2019, the Division documented in the NMLS, through which  
24 RESPONDENT was notified, that as reflected in an invoice for the assessment charged upon mortgage  
25 brokers for the services provided by the Division's certified public accountant, the amount so charged is  
26 due on October 31, 2019. The notification instructed RESPONDENT concerning the procedure it must  
27 perform to make payment. To date, RESPONDENT has not paid this assessment.

28 ...



1           53.     ELUCID’S conduct as alleged in the foregoing, and as specifically set forth in Counts I  
2 through VII, above, fails to meet the above-described required standards of a mortgage broker. Based  
3 not only upon the existence of the April 2019 license-revocation order issued against ELUCID by the  
4 California Department of Business Oversight (and failure to *disclose* such order), but the company’s  
5 failures to timely submit required monthly activity reports, its violation of prior orders issued by the  
6 Commissioner, its misrepresentations or omissions subject of the NMLS filings described herein, and  
7 its various failures to clear licensing deficiencies concerning which it has been repeatedly notified via  
8 the NMLS, demonstrate RESPONDENT’S failure to conduct itself and handle its business affairs in a  
9 manner that commands the confidence of the community and warrant the belief that it will operate  
10 honestly, fairly, and efficiently under the Act. Such failures constitute violations of  
11 NRS 645B.020(3)(b)(1), thereby subjecting RESPONDENT to all administrative penalties available  
12 under the Act. As authorized by NRS 645B.670(1)(b)(3), the Division specifically imposes upon  
13 ELUCID, an administrative fine in the collective amount of \$1,000.00 for these violations as described  
14 herein

15           54.     Further, while according to NAC 645B.004(2), RESPONDENT’S late filing of required  
16 reports (including the late-filed monthly activity reports described herein) for which the Commissioner  
17 has repeatedly taken disciplinary action against RESPONDENT, are explicitly *not* deemed to constitute  
18 a “major violation” of the Act for which a mortgage broker’s license must be suspended or revoked  
19 pursuant to NAC 645B.520, the definition of the term “major violation” for which suspension or  
20 revocation is prescribed, *does* include violation(s) of Act which in *the opinion of the Commissioner are*  
21 *the result of indifference to the obligations of the mortgage broker* pursuant to the Act. See  
22 NAC 645B.004(3). Accordingly, notwithstanding RESPONDENT’S violations of the Act as set forth  
23 in Count I, above, as is otherwise illustrated by the RESPONDENT’S actions as described in Counts II  
24 through VII, above, RESPONDENT’S conduct constitutes major violations of the Act for which  
25 *revocation* of its mortgage broker license is merited. As evidenced by the foregoing, RESPONDENT  
26 lacks both knowledge of the Act and thorough understanding of the expectations and requirements  
27 necessary to maintain a license. Upon such basis, it is reasonable for the Commissioner to opine that  
28 ...

1 RESPONDENT'S violations result from indifference to the obligations of a mortgage broker pursuant  
2 to the Act.

3 II.

4 NOTICE OF INTENT TO ISSUE AND ENTER FINAL ORDER  
5 REVOKING MORTGAGE BROKER LICENSE, IMPOSING ADMINISTRATIVE FINES AND  
6 REQUIRING PAYMENT OF INVESTIGATIVE COSTS

7 Based upon the factual allegations set forth in Section I, above, RESPONDENT is hereby given  
8 notice that it is the intent of the Commissioner to issue and enter a final order against RESPONDENT  
9 to impose the following:

- 10 A. Revocation of RESPONDENT'S mortgage broker license;
- 11 B. An administrative fine against RESPONDENT in the total amount of \$1,000.00 for  
12 violations of the Act as described in Count I, above;
- 13 C. An administrative fine against RESPONDENT in the total amount of \$1,000.00 for  
14 violations of the Act as described in Count II, above;
- 15 D. An administrative fine against RESPONDENT in the total amount of \$1,000.00 for  
16 violations of the Act as described in Counts III--VI, above;
- 17 E. An administrative fine against RESPONDENT in the total amount of \$1,000.00 for  
18 violations of the Act as described in Count VII, above;
- 19 F. An administrative fine against RESPONDENT in the total amount of \$1,000.00 for  
20 violations of the Act as described in Count VIII, above;
- 21 G. Investigative costs against RESPONDENT in the total amount of \$2,580.00.

22 Prior to the issuance and entry of a final order, RESPONDENTS are entitled to an opportunity for  
23 administrative hearing to contest this matter if RESPONDENTS timely make written application for  
24 such hearing in accordance with the instructions set forth in Section III below. <sup>1</sup>

25 ...

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26 <sup>1</sup> Unless Respondent timely requests an administrative hearing, the amounts set forth herein as the  
27 intended fines, costs and the other discipline set forth herein shall become the discipline *imposed* by the  
28 Commissioner against Respondent in a final order to be issued. Any negotiations or other discussions  
between the Division (directly or through its legal counsel) and Respondent regarding the matter shall  
*not* extend the time period in which Respondent must make the request to preserve the right to a  
hearing.



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III.

NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING

The following provisions of the Nevada Revised Statutes and Nevada Administrative Code are relevant to the right to hearing in this matter:

**NRS 645B.750 Duty of Commissioner to provide written notice of disciplinary action or denial of license; right to administrative hearing; entry of final order; appeals.**

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

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

3. A person may appeal a final order of the Commissioner in accordance with the provisions of chapter 233B of NRS that apply to a contested case.

**NRS 233B.121 Notice of hearing in contested case; contents of notice; representation by counsel; opportunity to respond and present evidence and argument; fees and mileage for witnesses; informal disposition; voluntary surrender of license in contested case deemed disciplinary action; contents of record; transcriptions; findings of fact.**

1. In a contested case, all parties must be afforded an opportunity for hearing after reasonable notice.

2. The notice must include:

(a) A statement of the time, place and nature of the hearing.

(b) A statement of the legal authority and jurisdiction under which the hearing is to be held.

(c) A reference to the particular sections of the statutes and regulations involved.

(d) A short and plain statement of the matters asserted. If the agency or other party is unable to state the matters in detail at the time the notice is served, the initial notice may be limited to a statement of the issues involved. Thereafter, upon application, a more definite and detailed statement must be furnished.

3. Any party is entitled to be represented by counsel.

4. Opportunity must be afforded all parties to respond and present evidence and argument on all issues involved. An agency may by regulation authorize the payment of fees and reimbursement for mileage to witnesses in the same amounts and under the same conditions as for witnesses in the courts of this state.

5. Unless precluded by law, informal disposition may be made of any contested case by stipulation, agreed settlement, consent order or default. If an informal disposition is made, the parties may waive the requirement for findings of fact and conclusions of law.

6. The voluntary surrender of a license in a contested case shall be deemed to constitute disciplinary action against the licensee.

