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

In re:

SUPERIOR ESTATES
CORPORATION, dba FIRST
AMERICAN MORTGAGE, JUAN
MACHADO,

Respondent.

**NOTICE OF INTENT TO IMPOSE FINE AND
NOTICE OF RIGHT TO REQUEST HEARING**

The licensing and regulation of mortgage brokers and mortgage agents in the State of Nevada is governed by Chapter 645B of the Nevada Revised Statutes ("NRS") and Chapter 645B of the Nevada Administrative Code ("NAC"). The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Division") has the general duty to exercise supervision and control over mortgage brokers and mortgage agents, as well as mortgage broker and mortgage agent activity. See, NRS 645B.060(1), NRS 645B.670 and NRS 645B.690. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order, as follows:

FACTUAL ALLEGATIONS

1. SUPERIOR ESTATES CORPORATION dba FIRST AMERICAN MORTGAGE and its principal, JUAN MACHADO (hereinafter collectively referred to as "RESPONDENT") was a licensed mortgage broker operating within the State of Nevada. RESPONDENT initially registered with the DIVISION as a mortgage broker on November 17, 2004. The DIVISION currently classifies RESPONDENT'S license as active.

2. On October 6, 2008, the Division received a complaint from Rafael Carrasquillo and Gloria Velez Soto, alleging the RESPONDENT'S agent, Yasmit Requena ("REQUENA") engaged in fraudulent credit reporting activity leading to the identity theft of Gloria Velez Soto.

1 3. The Division investigated the complaint during which RESPONDENT'S agent
2 REQUENA admitted she ran a potential customer's credit report (Gloria Soto's) without her
3 permission on August 22, 2008 as a favor to her cousin Rodolfo Alvarez and not for mortgage
4 business purposes associated with First American Mortgage. Rodolfo Alvarez then gave that
5 information to Sergio Gomez.

6 4. The Division's investigation concluded that RESPONDENT failed to exercise
7 reasonable supervision over the activities of his mortgage agent REQUENA when REQUENA
8 unlawfully submitted and requested credit information pertaining to Gloria Velez Soto under
9 false pretense and without Ms. Soto's knowledge, permission, or signature, in violation of 15
10 United States Code § 1681q and First American Mortgage's policy.

11 5. Pursuant to NRS 645B.460 (1)(b) "A mortgage broker shall exercise reasonable
12 supervision over the activities of his mortgage agents. Such reasonable supervision must
13 include, as appropriate: The establishment of a system to review, oversee and inspect the
14 activities of his mortgage agents, including, without limitation: 1) Transactions handled by his
15 mortgage agents pursuant to this chapter; 2) Communications between his mortgage agents
16 and a party to such a transaction; 3) Documents prepared by his mortgage agents that may
17 have a material effect upon the rights or obligations of a party to such a transaction; and 4)
18 The handling by his mortgage agents of any fee, deposit or money paid to the mortgage
19 broker or his mortgage agents or held in trust by the mortgage broker or his mortgage agents
20 pursuant to this chapter." See, NRS 645B.460 (1)(b).

21 6. Pursuant to NRS 645B.670 (2)(b) "For each violation committed by a mortgage
22 broker, the Commissioner may impose upon the mortgage broker an administrative fine of not
23 more than \$10,000, may suspend, revoke or place conditions upon his license, or may do
24 both, if the mortgage broker, whether or not acting as such...(l)s grossly negligent or
25 incompetent in performing any act for which he is required to be licensed pursuant to the
26 both, if the mortgage broker, whether or not acting as such...(l)s grossly negligent or
27 incompetent in performing any act for which he is required to be licensed pursuant to the
28 both, if the mortgage broker, whether or not acting as such...(l)s grossly negligent or

1 provisions of this chapter.” See, NRS 645B.670 (2)(b).

2 **VIOLATIONS OF LAW**

3 After investigating this matter, it has been determined that RESPONDENT was grossly
4 negligent or incompetent in supervising and/or establishing a system of review in order to
5 inspect the actions of his mortgage agents. As such, RESPONDENT’S mortgage agent
6 engaged in conduct constituting a deceitful, fraudulent or dishonest business practice when
7 on August 22, 2008 RESPONDENT’S mortgage agent knowingly and willingly obtained
8 information on a consumer (Soto) from a consumer reporting agency under false pretense, in
9 violation of 15 U.S.C. § 1681q.

10
11 **ORDER**

12 **NOW, THEREFORE, IT IS HEREBY ORDERED** that, pursuant to NRS 645B.750,
13 upon the timely filing of an application with the Division within **twenty (20) days** of the date of
14 this Order, RESPONDENT shall be entitled to a hearing with regard to the contents of this
15 Order. At that hearing, pursuant to NRS 645B.670 (2) the Division will seek:

16 a. The imposition of an administrative fine of Five Thousand Dollars (\$5,000.00)
17 against RESPONDENT for RESPONDENT’S violations of NRS 645B.460 (1)(b) and 645B.670
18 (2)(b) as well as the DIVISION’S administrative costs of Three Hundred Dollars (\$300.00) and
19 attorney’s fees, if any, incurred herein, to be proven at the hearing; and

20
21 b. RESPONDENT JUAN MACHADO and QUALIFIED EMPLOYEE REGINA
22 CRUZ shall attend ten (10) hours of classroom continuing education, three (3) of which shall be
23 in ethics. This continuing education shall be in addition to the current annual statutory
24 requirement. Said ten hours of education will be completed within 120 days of execution of this
25 Order. RESPONDENT will send Proof of compliance to the DIVISION.

26
27 c. RESPONDENT’S payment, in full, of the administrative fine, costs and fees to
28 the Division within **thirty (30) days** of entry of the Final Order.

CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on February 27, 2009, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, NOTICE OF INTENT TO IMPOSE FINE AND NOTICE OF RIGHT TO REQUEST HEARING for SUPERIOR ESTATES CORP dba FIRST AMERICAN MORTGAGE, JUAN MACHADO, addressed as follows:

Juan Machado
First American Mortgage
3889 S. Eastern Avenue
Las Vegas, NV 89109

Certified Receipt Number: 7006 2760 0000 0876 2964

DATED this 27th day of February, 2009

By: 

Employee of the Division