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

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In re:

Hard Money Partners, LLC, Alfredo Palacios, J.H.S. Moxie Corp., and Jacqueline O'Shaughnessy,

Respondents.

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**ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE
FINES 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 Factual Allegations, Violations of Law, and Order, as follows:

FACTUAL ALLEGATIONS

1. Based upon information and belief, Respondent, Hard Money Partners, LLC ("Hard Money"), is a limited liability company organized and existing under the laws of the State of Nevada since on or about November 15, 2007. Currently, Hard Money's status with the Nevada Secretary of State is "default."

2. Hard Money has never been issued a mortgage broker license by the Division pursuant to Chapter 645B of NRS.

3. Based upon information and belief, at relevant times herein mentioned, Alfredo

1 Palacios ("Palacios") and George Polick aka Jorge Polick ("Polick") were/are the managers of
2 the Hard Money office located at 6655 W. Sahara Avenue, Las Vegas, Nevada 89146 and
3 conducted mortgage lending activity in Nevada on behalf of Hard Money.

4 4. Neither Palacios nor Polick has ever been issued a mortgage broker or mortgage
5 agent license by the Division pursuant to Chapter 645B of NRS.

6 5. Based upon information and belief, Respondent, J.H.S. Moxie Corp. ("J.H.S.
7 Moxie") was incorporated in the State of Nevada on or about April 5, 2004. Currently, J.H.S.
8 Moxie's status with the Nevada Secretary of State is "active."

9 6. J.H.S. Moxie has never been issued a mortgage broker license by the Division
10 pursuant to Chapter 645B of NRS.

11 7. Based upon information and belief, Jacqueline O'Shaughnessy ("O'Shaughnessy")
12 is and has been the president, secretary, treasurer, director and registered agent of J.H.S.
13 Moxie since its incorporation.

14 8. On June 21, 2000, O'Shaughnessy was registered with the Financial Institutions
15 Division ("FID") and was subsequently licensed by the Division as a mortgage agent (License
16 No. 6603) pursuant to Chapter 645B of NRS on June 29, 2004.

17 9. Based upon information and belief, RCFC, Inc. ("RCFC") is a corporation organized
18 and existing under the laws of the State of Nevada since on or about October 21, 1993.
19 Currently, RCFC's status with the Nevada Secretary of State is "active."

20 10. Based upon information and belief, at relevant times herein mentioned, RCFC was
21 doing business in the State of Nevada as American Mortgage Services ("American
22 Mortgage").

23 11. On January 12, 1994, American Mortgage was registered with FID and was
24 subsequently licensed by the Division as a mortgage broker (License No. 207) on June 29,
25 2005. Currently, American Mortgage's status with the Division is "active."
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1 12. Based upon information and belief, from November 18, 2004, to the present,
2 O'Shaughnessy is and has been affiliated with, or employed by, American Mortgage as a
3 mortgage agent. Currently, O'Shaughnessy's status with the Division is "active licensed."

4 13. O'Shaughnessy has never been issued a mortgage broker license by the Division
5 pursuant to Chapter 645B of NRS.

6 14. Based upon information and belief, Calaveras Development, Inc. ("Calaveras
7 Development") was incorporated in the State of Nevada on or about July 15, 1994. Currently,
8 Calaveras Development's status with the Nevada Secretary of State is "active."
9

10 15. Calaveras Development has never been issued a mortgage broker or mortgage
11 banker license by the Division pursuant to Chapter 645B or Chapter 645E of NRS.

12 16. Based upon information and belief, at relevant times herein mentioned,
13 complainant herein, FS ("Complainant FS") was the owner of certain real property located at
14 4809 Ashbrook Place, Las Vegas, Nevada 89147 ("the Property").

15 17. Further, on or about October 26, 2007, the Division received a written complaint
16 ("the FS Complaint") from Complainant FS, including a letter dated October 22, 2007, from
17 FS's attorney, BKB, alleging, among other things, with respect to a hard money loan for the
18 purchase of the Property by Polick, as buyer, from Complainant FS, as seller, that:
19

20 a. Palacios, manager of Hard Money, and O'Shaughnessy, as president of J.H.S.
21 Moxie, brokered the loan to Calaveras Development;

22 b. At the time that Palacios and O'Shaughnessy brokered the loan to Calaveras
23 Development, neither Hard Money nor J.H.S. Moxie was licensed by the Division as a mortgage
24 broker under Chapter 645B of NRS;

25 c. The transaction closed on May 18, 2007;

26 d. Complainant FS agreed to pay and was charged \$17,700.00 in lender costs,
27 including a \$6,500.00 broker fee to Palacios of Hard Money, a \$6,500.00 broker fee to J.H.S.
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1 Moxie, and a \$4,700.00 investor fee to Calaveras Development, as reflected on the settlement
2 statement, a true and correct copy of which (except redacted Complainant FS information) is
3 attached hereto as **Exhibit "A"** and incorporated herein by reference as though set forth in full;

4 e. The names J.H.S. Moxie, Hard Money and Palacios never appeared anywhere
5 in the loan documents before the closing statement; and

6 f. After conducting an online search of Palacios, Hard Money, J.H.S. Moxie,
7 O'Shaughnessy, and Calaveras Development, Complainant FS "learned that none of the
8 lenders are licensed as mortgage lenders in the state of Nevada...."

9
10 18. Based upon information and belief, subsequent to the closing of the FS loan
11 transaction, Palacios and O'Shaughnessy continued to receive broker fees for arranging hard
12 money loans through their respective unlicensed companies, Hard Money and J.H.S. Moxie.

13 19. Pursuant to NRS 645B.060, the Commissioner shall exercise general supervision
14 and control over mortgage brokers and mortgage agents doing business in this State and "is
15 charged with conducting...such investigations as may be necessary to determine whether any
16 person has violated any provision of this chapter, a regulation adopted pursuant to this chapter
17 or an order of the Commissioner." See, NRS 645B.060(2)(c).

18
19 20. Pursuant to NRS 645B.610, the Division is also charged with investigating "...each
20 violation alleged in [a] complaint..." received by the Division and "...shall determine from the
21 investigation whether there is reasonable cause to believe that the person committed the
22 alleged violation...." See, NRS 645B.610(1), (3).

23 21. Pursuant to NRS 645B.060, the Division is further charged with conducting "...such
24 other investigations, periodic or special audits, investigations and hearings as may be
25 necessary for the efficient administration of the laws of this State regarding mortgage brokers
26 and mortgage agents...." See, NRS 645B.060(2)(e).

27
28 22. Pursuant to NRS 645B.900, unless a person is exempt from the provisions of

1 Chapter 645B of NRS and complies with the exemption requirements, "(i)t is unlawful for any
2 person to offer or provide any of the services of a mortgage broker or mortgage agent or
3 otherwise to engage in, carry on or hold himself out as engaging in or carrying on the
4 business of a mortgage broker or mortgage agent without first obtaining the applicable license
5 issued pursuant to this chapter...."

6 23. After the examination of American Mortgage on August 8, 2007, and after
7 receiving the FS Complaint regarding Hard Money and J.H.S. Moxie, the Division conducted
8 an investigation of the allegations in question, which included:
9

10 a. Sending Palacios of Hard Money a letter, via certified mail, on January 4,
11 2008, which was signed for on January 7, 2008, to which Palacios failed to respond; and

12 b. Conducting telephonic interviews with Bill Phillips of Calaveras Development
13 and O'Shaughnessy of J.H.S. Moxie.

14 24. The Division's investigation revealed among other things, that:

15 a. Hard Money has never been licensed by the Division to conduct mortgage
16 broker activity in the State of Nevada pursuant to Chapter 645B of NRS;

17 b. J.H.S. Moxie has never been licensed by the Division to conduct mortgage
18 broker activity in the State of Nevada pursuant to Chapter 645B of NRS;

19 c. Palacios has never been licensed by the Division to conduct mortgage broker
20 activity in the State of Nevada pursuant to Chapter 645B of NRS;

21 d. O'Shaughnessy has never been licensed by the Division to conduct
22 mortgage broker activity in the State of Nevada pursuant to Chapter 645B of NRS;

23 e. Hard Money, through Palacios, brokered the loan to Calaveras Development
24 and received a broker fee on the subject loan transaction in approximately May 2007;

25 f. At the time of offering or providing the above-referenced services of a
26 mortgage broker, Hard Money was neither licensed by the Division as a mortgage broker nor
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1 exempt from licensing pursuant to the provisions of Chapter 645B of NRS;

2 g. J.H.S. Moxie, through O'Shaughnessy, brokered the loan to Calaveras
3 Development and received a broker fee on the subject loan transaction in approximately May
4 2007; and

5 h. At the time of offering or providing the above-referenced services of a
6 mortgage broker, J.H.S. Moxie was neither licensed by the Division as a mortgage broker nor
7 exempt from licensing pursuant to the provisions of Chapter 645B of NRS.

8
9 25. Pursuant to NRS 645B.690, "(i)f a person offers or provides any of the services of
10 a mortgage broker or mortgage agent or otherwise engages in, carries on or holds himself out
11 as engaging in or carrying on the business of a mortgage broker or mortgage agent and, at
12 the time...the person was required to have a license pursuant to this chapter and the person
13 did not have such a license...the Commissioner shall impose upon the person an
14 administrative fine of not more than \$10,000 for each violation...." See, NRS 645.690(1)(a).

15
16 26. Pursuant to NAC 645B.340, "(i)f a person engages in an activity in violation of the
17 provisions of this chapter or chapter 645B of NRS, the Commissioner may issue an order to the
18 person directing the person to cease and desist from engaging in the activity...." See, NAC
19 645B.340(1).

20 VIOLATIONS OF LAW

21 After investigating this matter, it has been determined that:

22 a. By brokering the loan to Calaveras Development and by being paid a broker
23 fee on the subject loan transaction in approximately May 2007, Hard Money Loans, through
24 Palacios, offered or provided services of a mortgage broker or otherwise engaged in, carried
25 on or held itself out as engaging in or carrying on the business of a mortgage broker without
26 first obtaining the applicable license issued pursuant to Chapter 645B of NRS, in violation of
27 NRS 645B.900; and
28

1 2. **PALACIOS AND O'SHAUGHNESSY IMMEDIATELY CEASE AND DESIST** from
2 the following activities:

3 a. Brokering loans through persons that offer or provide any of the services of a
4 mortgage broker, or otherwise engage in, carry on or hold themselves out as engaging in or
5 carrying on the business of a mortgage broker in the State of Nevada without the person
6 having first received a license or a certificate of exemption from the Division; and

7 b. Claiming, demanding, charging, collecting or receiving any fee, interest or
8 other compensation for brokering loans through persons that offer or provide any of the
9 services of a mortgage broker in the State of Nevada without the person having first received
10 a license or a certificate of exemption from the Division.
11

12 **IT IS FURTHER ORDERED**, pursuant to NAC 645B.340(4), that upon filing a verified
13 petition with the Division within **thirty (30) days** of receipt of this Order to Cease and Desist,
14 Hard Money, Palacios, J.H.S. Moxie and/or O'Shaughnessy shall be entitled to a hearing with
15 regard to the contents of this Order to Cease and Desist. Hard Money, Palacios, J.H.S. Moxie
16 and O'Shaughnessy are advised, however, that the provisions of this Order to Cease and
17 Desist are effective immediately upon Hard Money, Palacios J.H.S. Moxie and/or
18 O'Shaughnessy being served therewith, whether or not Hard Money, Palacios, J.H.S. Moxie
19 and/or O'Shaughnessy request(s) a hearing.
20

21 **NOTICE TO HARD MONEY, PALACIOS, J.H.S. MOXIE AND O'SHAUGHNESSY:** If
22 you request a hearing, you are specifically informed that you have the right to appear and be
23 heard in your defense, either personally or through your counsel of choice at your own
24 expense. At the hearing, if one is timely requested, the Division will call witnesses and
25 present evidence against you. You have the right to respond and to present relevant evidence
26 and argument on all issues involved. You have the right to call and examine witnesses,
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1 introduce exhibits and cross-examine opposing witnesses on any matter relevant to the
2 issues involved.

3 If the Division prevails at any hearing, it may request that attorney's fees and costs be
4 awarded pursuant to NRS 622.400.

5 **IT IS FURTHER ORDERED**, pursuant to NRS 645B.750, that upon written application
6 to the Division within **twenty (20) days** of the date of this Order, Hard Money and/or J.H.S.
7 Moxie shall be entitled to a hearing with regards to the contents of this Order referenced
8 below. At that hearing the Division will seek to:
9

10 1. Impose an administrative fine against Hard Money and J.H.S. Moxie, each in the
11 amount of Ten Thousand Dollars and No Cents (\$10,000.00), payable to the Division on
12 account of Hard Money's and J.H.S. Moxie's violations of Chapter 645B of NRS, the
13 Division's investigative costs in the amount of Seven Hundred Forty-Seven Dollars and No
14 Cents (\$747.00) as well as the Division's attorney's fees, if any, incurred herein, to be proven
15 at the hearing;

16 2. Require Hard Money's payment, in full, to the Division of the administrative fine
17 against Hard Money in the amount of Ten Thousand Dollars and No Cents (\$10,000.00)
18 within **thirty (30) days** of entry of the Final Order;
19

20 3. Require J.H.S. Moxie's payment, in full, to the Division of the administrative fine
21 against J.H.S. Moxie in the amount of Ten Thousand Dollars and No Cents (\$10,000.00)
22 within **thirty (30) days** of entry of the Final Order; and
23

24 4. Require payment, in full, to the Division of the Division's investigative costs as well
25 as the Division's attorney's fees, if any, by Hard Money and/or J.H.S. Moxie, who shall be
26 jointly and severally liable, within **thirty (30) days** of entry of the Final Order.

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EXHIBIT “A”

SETTLEMENT STATEMENT

1	FHA	2	FHA	3	CONV
4	VA	5	CONV	6	INS
6 THE NUMBER			7 LOAN NUMBER		
8 MORTGAGE (INS. CASE NO.)					

NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "paid" were paid outside the closing, they are shown here for informational purposes and are not included in the totals.

D NAME & ADDRESS OF BORROWER: Jorge Polack
 E NAME & ADDRESS OF SELLER:
 F NAME & ADDRESS OF LENDER: Calaveras Development, Inc.
 G PROPERTY LOCATION: 4809 Ashbrook Place, Las Vegas, NV 89147
 H SETTLEMENT AGENT: Southwest Title Company
 PLACE OF SETTLEMENT: 3571 E. Sunset Road, Las Vegas, NV 89120 (702) 448-9333
 I SETTLEMENT DATE: 5/18/2007 Final

I. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower:		400. Gross Amount Due To Seller:	
101 Contract sales price	355,000.00	401 Contract sales price	355,000.00
102 Personal property		402 Personal property	
103 Settlement charges to borrower (line 1400)	1,062.78	403	
104		404	
105		405	
Adjustments For Items Paid By Seller In Advance:		Adjustments For Items Paid By Seller In Advance:	
106 City town taxes to		406 City town taxes to	
107 County taxes 05/18/07 to 07/01/07	162.56	407 County taxes 05/18/07 to 07/01/07	162.56
108 Assessments to		408 Assessments to	
109 SEWER CHARGE 5/18/2007 to 7/01/2007	24.70	409 SEWER CHARGE 5/18/2007 to 7/01/2007	24.70
110		410	
111		411	
112		412	
113		413	
114		414	
115		415	
116		416	
120. Gross Amount Due From Borrower:	356,250.00	420. Gross Amount Due To Seller:	355,187.26
200. Amounts Paid By Or In Behalf Of Borrower:		500. Reductions In Amount Due To Seller:	
201 Deposit of earnest money		501 Facets deposit (see instructions)	
202 Principal amount of new loan(s)	235,000.00	502 Settlement charges to seller (line 1400)	16,100.50
203 Existing loans taken subject to		503 Existing loans taken subject to	
204 Debit to commission	2,500.00	504 Payoff 1st Mtg. In Countrywide Home Loans Service	50,397.51
205		505 Payoff 2nd Mtg. In Countrywide Home Loans Service	150.00
206		506	
207		507	
208		508	
209		509	
Adjustments For Items Unpaid By Seller:		Adjustments For Items Unpaid By Seller:	
210 City town taxes to		510 City town taxes to	
211 County taxes to		511 County taxes to	
212 Assessments to		512 Assessments to	
213 Carry Back 2nd Loan	120,000.00	513 Carry Back 2nd Loan	120,000.00
214		514	
215		515	
216		516	
217		517	
218		518	
219		519	
220. Total Paid By/For Borrower	157,500.00	520. Total Reductions In Amount Due Seller:	212,848.01
300. Cash At Settlement From/To Borrower:		600. Cash At Settlement From/To Seller:	
301 Gross amount due from borrower (line 120)	356,250.00	601 Gross amount due to seller (line 420)	355,187.26
302 Total amount paid by/borrower (line 220)	157,500.00	602 Seller's reductions in amount due seller (line 520)	212,848.01
303. Cash (FROM) (NTO) Borrower:	1,250.00	603. Cash (NTO) (FROM) Seller:	112,169.75

		SETTLEMENT CHARGES		Escrow 07-05-09/BLK	
700. Total Sales Broker's Commission: Based On Price \$ 355,000.00 @ 4.00 % 14,200.00					
Division of Commission (line 700) As Follows:					
701 \$ 3,550.00 to National Properties, LLC					
702 \$ 10,650.00 to Keller Williams The Market Place					
703 Commission paid at settlement					
704					19,200
800. Items Payable In Connection With Loan:					
801 Loan Origination fee					
802 Loan Discount					
803 Appraisal fee to					
804 Credit report to					
805 Lender's inspection fee					
806 Mortgage insurance application fee to					
807 Assumption fee					
808 Investor Fee to Calaveras Development, Inc.					
809 Collection Set-Up Fee For This 1st Loan For US LOAN SERVICES					1,700.00
810 Brokers Fees To Alfredo Palacios				100.00	
811 Broker Credit To Alfredo Palacios				250.00	6,500.00
812 Document Preparation To JHS Movix				(2,750.00)	
813 Broker Fee To JHS Movix				595.00	
814 Broker Credit To JHS Movix				250.00	6,500.00
815				(1,500.00)	
816					
900. Items Required By Lender To Be Paid In Advance:					
901 Interest from 5/18/2007 to 6/01/2007 @ \$ 84.8600/day (14 days)				1,188.04	
902 Mortgage insurance premium for mo to					
903 Hazard insurance premium for 1 yrs to Century National Insurance				414.00	
904 Flood insurance premium for yrs to					
905					
906					
1000. Reserves Deposited With Lender:					
1001 Hazard insurance 2 months @ \$ 34.50 per month					69.00
1002 Mortgage insurance 0 months @ \$ 0.00 per month					
1003 City property taxes 0 months @ \$ 0.00 per month					
1004 County property taxes 3 months @ \$ 112.60 per month					337.80
1005 Annual assessments 0 months @ \$ 0.00 per month					
1006 Flood insurance 0 months @ \$ 0.00 per month					
1007					
1008 Aggregate Adjustment					
1009					
1100. Title Charges:					
1101 Settlement or closing fee to Southwest Title Company					
1102 Abstract or title search to				350.00	350.00
1103 Title examination to					
1104 Title insurance broker to					
1105 Document preparation to Southwest Title Company					
1106 Notary fees to				200.00	50.00
1107 Attorney's fees to					
(includes above item Numbers:					
1108 Title insurance to Southwest Title Company					
(includes above item Numbers:					
1109 Lender's coverage \$ 225,000.00 Premium: \$ 320.00				320.00	1,350.00
1110 Owner's coverage \$ 355,000.00 Premium: \$ 1,350.00					
1111 Messenger Fee to Southwest Title Company					
1112 Processing Fee to Southwest Title Company				50.00	30.00
1113 Federal Express Fee to Southwest Title Company				200.00	
1114 Exhibit B Attached Hereto					30.00
				310.00	180.00
1200. Government Recording and Transfer Charges:					
1201 Recording Fees: Deed \$ Mortgage \$ Releases \$					
1202 City county tax stamps: Deed \$ 1,810.50 Mortgage \$					1,810.50
1203 State tax stamps: Deed \$ Mortgage \$					
1204					
1205					
1300. Additional Settlement Charges:					
1301 Survey to					
1302 Pest inspection to					
1303 Connection Company Setup Fee 2nd Loan to Note World LLC					
1304 Home Owners Warranty to Alliance Home Warrants				90.00	
1305 Document Fee to Keller Williams The Market Place				65.00	100.00
1306				195.00	
1307					
1308					
1309					
1310					
1311					
1312					
1313					
1400. Total Settlement Charge (Enter on line 103, Section I, and, line 502, Section K)				1,062.71	36,109.54

ATTACHMENT TO HUD 1
Settlement Date: 5/18/2007

Escrow No. 07-05-0098CK
Title No 07-05-00981 P
Page 1

EXHIBIT A (HUD Section 500)

Reductions In Amount Due To Seller: - Loan Payoff Breakdown:

Buyer Amount Seller Amount

Countrywide Home Loans Servicing LP

Principal Balance To: Countrywide Home Loans Servicing LP

Total:

56,397.51

56,397.51

Countrywide Home Loans Servicing LP

Principal Balance To: Countrywide Home Loans Servicing LP

Total:

150.00

150.00

EXHIBIT B (HUD Section 1100)

Title Charges:

Buyer Amount Seller Amount

Administration Fee to Southwest Title Company

30.00

Reconveyance Fee to Southwest Title Company

150.00

2nd Loan Coverage \$ 0.00 Premium: \$220.00 To Southwest Title Company

220.00

Recording Service Fees to Southwest Title Company

90.00

Total:

310.00

180.00

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 May 19, 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, ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE FINES AND NOTICE OF RIGHT TO REQUEST HEARING for HARD MONEY PARTNERS, LLC, ALFREDO PALACIOS, J.H.S. MOXIE CORP., AND JACQUELINE O'SHAUGHNESSY, addressed as follows:

Hard Money Partners and Alfredo Palacios
6655 W. Sahara Avenue, B102
Las Vegas, NV 89146

Certified Receipt Number: 7006 2760 0000 0876 4739

Jacqueline O'Shaughnessy
American Mortgage Services
4550 W. Oakey Blvd., #104B
Las Vegas, NV 89102

Certified Receipt Number: 7006 2760 0000 0876 4746

JHS Moxie Corp.
2436 Silver Shadow Drive
Las Vegas, NV 89108

Certified Receipt Number: 7006 2760 0000 0876 4753

DATED this 15th day of May, 2009

By: Susan Slack
Employee of the Division