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

IN RE:

SAPPHIRE MORTGAGE, LLC., LUCINDA
aka CINDY BIRKLAND,

Respondent.

FOR SETTLEMENT PURPOSES ONLY

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STIPULATED SETTLEMENT AGREEMENT

The licensing and regulation of mortgage brokers in the State of Nevada is governed by Chapter 645B of the Nevada Revised Statutes (hereinafter "NRS") and Chapter 645B of the Nevada Administrative Code. The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter "DIVISION") has the general duty to exercise supervision and control over mortgage brokers and mortgage brokering activity. See, NRS 645B.060 (1), NRS 645B.690 (1)(a) and NRS 645B.670. Pursuant to that authority, as well as NRS 645B.610(6), the DIVISION hereby enters into the following STIPULATED SETTLEMENT AGREEMENT ("AGREEMENT") with the Respondent, SAPPHIRE MORTGAGE, LLC., as follows:

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RECITALS

A. RESPONDENT, by and through its managing member, CINDY BIRKLAND (hereinafter collectively referred to as "RESPONDENT"), was issued by the DIVISION a mortgage broker license on August 26, 2003, within the State of Nevada, pursuant to Chapter 645B of the Nevada Revised Statutes.

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1 B. Early 2008, as part of an investigation into "foreclosure rescues" the Bureau of
2 Consumer Protection, affiliated with the State of Nevada Office of the Attorney General,
3 requested the DIVISION examine loan files for loans brokered by RESPONDENT.

4 C. Pursuant to that request, the DIVISION discovered on at least two (2) occasions,
5 RESPONDENT intentionally listed names of borrowers on RESPONDENT CINDY
6 BIRKLAND'S personal bank statements to artificially inflate the creditworthiness of these
7 borrowers and assist them in qualifying for the respective loans they sought through
8 RESPONDENT'S brokerage company. But for RESPONDENT'S actions, these borrowers
9 would not have qualified for their respective loans.

10 WHEREAS, pursuant to NRS 645B.670 (2)(e)(o) "For each violation committed by a
11 mortgage broker, the Commissioner may impose upon the mortgage broker an administrative
12 fine of not more than \$10,000, may suspend, revoke or place conditions upon his license, or
13 may do both, if the mortgage broker, whether or not acting as such...Has made a material
14 misrepresentation in connection with any transaction governed by this chapter; Has engaged
15 in any other conduct constituting a deceitful, fraudulent or dishonest business practice." See,
16 NRS 645B.670(2)(e)(o).

17 **AGREEMENT**

18 NOW, THEREFORE, in consideration of the representations, covenants and conditions
19 set forth herein, the parties stipulate and agree that the violations of NRS 645B.670
20 referenced above shall be settled on the following terms and conditions:

21 1. RESPONDENT admits that it had made material misrepresentations in
22 connection with two transactions governed by NRS 645B in violation of NRS 645B.670(2)(e),
23 and agrees to enter into and be bound by this AGREEMENT.

24 2. RESPONDENT CINDY BIRKLAND agrees to surrender her license as a
25 Mortgage Broker and to not apply for a license as a Mortgage Broker or Mortgage Agent for a
26 period of thirty (30) months from the date of execution of this AGREEMENT.

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1 3. RESPONDENT agrees to pay to the DIVISION a fine in the amount of ONE
2 THOUSAND DOLLARS (\$1,000), investigatory costs to the DIVISION of ONE THOUSAND
3 FIVE HUNDRED DOLLARS (\$1,500), and attorney's fees in the amount of FIVE HUNDRED
4 DOLLARS (\$500), for the total sum of THREE THOUSAND DOLLARS (\$3,000.00), to be paid
5 within thirty (30) days of execution of this AGREEMENT.

6 CINDY BIRKLAND, as the sole managing member of RESPONDENT SAPPHIRE
7 MORTGAGE, LLC., agrees that should RESPONDENT SAPPHIRE MORTGAGE, LLC., not
8 pay the fines, costs, and fees as specified herein that she will be personally responsible for
9 timely paying the same.

10 4. RESPONDENT further acknowledges and agrees that in the event that it
11 violates any of the provision of the AGREEMENT, the DIVISION shall retain any and all
12 remedies available to it in accordance with NRS Chapter 645B.

13 5. The PARTIES agree and acknowledge that this AGREEMENT shall constitute
14 the complete and final resolution of any issues arising out of the DIVISION'S investigation into
15 RESPONDENT'S conduct as specified herein.

16 6. The PARTIES represent and warrant that the person executing the instant
17 AGREEMENT on behalf of each party has full power and authority to do so, and has the legal
18 capacity to conduct the legal obligations assigned to it hereunder.

19 7. RESPONDENT further acknowledges and agrees that the DIVISION shall retain
20 the original of the instant AGREEMENT.

21 8. This AGREEMENT may be signed in counterparts and a facsimile signature
22 shall be deemed as valid as an original, however, RESPONDENT shall immediately forward
23 all original signature pages to the DIVISION.

24 9. The instant AGREEMENT, as well as the rights and obligations of the parties
25 hereto shall be interpreted, governed, and construed pursuant to the laws of the State of
26 Nevada.

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1 10. Any action to enforce the instant AGREEMENT shall be brought in the Eighth
2 Judicial District Court of the State of Nevada in and for Clark County.

3 11. If the DIVISION is successful in any action to enforce this agreement, the court
4 may award it attorneys' fees. It is specifically agreed that reasonable attorneys' fees for the
5 State-employed attorneys shall be \$125 per hour.

6 12. Failure to declare a breach or the actual waiver of any particular breach of the
7 instant AGREEMENT or its material terms, by either party, shall not operate as a waiver by
8 such party of any of its rights or remedies as to any other breach.

9 13. If any provision contained in the instant AGREEMENT is held to be
10 unenforceable by a court of law or equity, the instant AGREEMENT shall be construed as if
11 such a provision(s) did not exist and the unenforceability of such provision(s) shall not be held
12 to render any other provision(s) of the instant AGREEMENT unenforceable.

13 14. The instant AGREEMENT constitutes the entire agreement of the parties, and it
14 is intended as a complete and exclusive statement of the promises, representations,
15 negotiations, and discussions of the parties. Unless otherwise expressly authorized by its
16 terms, the instant AGREEMENT shall be binding upon the parties unless the same is
17 amended in writing, signed by the respective parties hereto, and approved by the Office of the
18 Attorney General.

19 15. By executing this AGREEMENT, RESPONDENT hereby agrees that it is waiving
20 certain rights as set forth herein. RESPONDENT is specifically informed that it has the right to
21 request that the DIVISION file an administrative complaint against it, at any hearing on such a
22 complaint RESPONDENT has the right to appear and be heard in its defense, either
23 personally or through its counsel of choice. If the DIVISION were to file a complaint, at the
24 hearing, the DIVISION would have the burden of proving the allegations in the complaint and
25 would call witnesses and present evidence against RESPONDENT. RESPONDENT would
26 have the right to respond and to present relevant evidence and argument on all issues

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1 involved. RESPONDENT would have the right to call and examine witnesses, introduce
2 exhibits, and cross-examine opposing witnesses on any matter relevant to the issues
3 involved.

4 Respondent would have the right to request that the Commissioner of the DIVISION
5 issue subpoenas to compel witnesses to testify and/or evidence to be offered on its behalf. In
6 making this request, Respondent may be required to demonstrate the relevance of the
7 witness's testimony and/or evidence. Other important rights RESPONDENT has are listed in
8 NRS Chapter 645B and NRS Chapter 233B.

9 The provisions of this Paragraph 15 apply to each named RESPONDENT, whether
10 individually or collectively.

11 16. Neither this AGREEMENT nor any statements made concerning this
12 AGREEMENT may be discussed or introduced into evidence at the hearing of the complaint, if
13 the DIVISION must ultimately put on a case based upon RESPONDENT'S failure to comply
14 with the terms and conditions of this AGREEMENT.

15 17. RESPONDENT understands and agrees that this AGREEMENT may be used to
16 show that past violations have occurred should any future disciplinary action be taken by the
17 DIVISION.

18 18. In consideration for the execution of this AGREEMENT, RESPONDENT, for
19 itself, its heirs, executors, administrators, successors and assigns, hereby releases and
20 forever discharges the State of Nevada, the DIVISION, the Nevada Attorney General, and
21 each of their members, agents and employees in their individual and representative
22 capacities, from any and all manner of actions, causes of action, suits, debts, judgments,
23 executions, claims and demands whatsoever known or unknown, in law and equity, that
24 RESPONDENT ever had, now has, may have or claim to have against any and all of the
25 persons or entities named in this paragraph arising out of, or by reason of, the investigation of
26 the allegations in the complaints referenced above, this action or any other matter relating
27 thereto.

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1 19. In consideration for the execution of this AGREEMENT, RESPONDENT hereby
2 indemnifies and holds harmless the State of Nevada, the DIVISION, the Nevada Attorney
3 General, and each of their members, agents and employees in their individual and
4 representative capacities, against any and all claims, suits and actions, brought against any of
5 the persons named in this paragraph by reason of the investigation of the allegations in the
6 complaints referenced above, this action and all other matters relating thereto, and against
7 any and all expenses, damages, charges and costs, including court costs and attorneys fees,
8 which may be sustained by any of the persons and entities named in this paragraph as a
9 result of said claims, suits and actions.

10 20. RESPONDENT enters into this AGREEMENT freely and voluntarily, and with
11 the assistance of legal counsel. RESPONDENT acknowledges that this AGREEMENT is not
12 the product of force, threats, or any other form of coercion or duress, but is the product of
13 discussions between RESPONDENT, counsel for RESPONDENT, the DIVISION and the
14 attorney for the DIVISION.

15 21. RESPONDENT and the DIVISION acknowledge that this AGREEMENT is made
16 to avoid litigation and economize resources. The parties agree and understand this
17 AGREEMENT is intended to operate as full and final settlement of the above referenced
18 complaint filed against RESPONDENT.

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1 22. This AGREEMENT shall become effective immediately and this matter deemed
2 concluded, upon its execution by the parties and the payment of the administrative penalty,
3 the sum for attorney's fees and investigative costs and expenses referenced in paragraph 3
4 above.

5 DATED this 1st day of May 2009.

6 By: _____
7 SAPPHIRE MORTGAGE, LLC

8 By: Cindy Birkland
9 CINDY BIRKLAND

10 APPROVED:

11 By: GABRIEL L. GRASSO

12 GABRIEL L. GRASSO
13 Counsel for SAPPHIRE MORTGAGE,
14 LLC and CINDY BIRKLAND

13 DATED this 18th day of MAY 2009.

14 STATE OF NEVADA
15 DEPARTMENT OF BUSINESS AND INDUSTRY
16 DIVISION OF MORTGAGE LENDING

17 By: Joseph L. Waltuch
18 JOSEPH L. WALTUCH
19 Commissioner

18 APPROVED AS TO FORM:

19 CATHERINE CORTEZ MASTO
20 Attorney General

21 By: COLLEEN E. HEMINGWAY
22 Deputy Attorney General
23 100 North Carson Street
24 Carson City, Nevada 89701
25 Attorney for Division of
26 Mortgage Lending

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. STIPULATED SETTLEMENT AGREEMENT for SAPPHIRE MORTGAGE & CINDY BIRKLAND, addressed as follows:

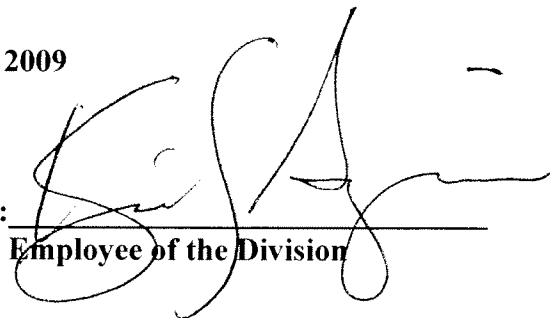
**Cindy Birkland
Sapphire Mortgage LLC
2637 W. Horizon Ridge Pkwy
Ste. 120
Henderson, NV 89052**

Certified Receipt Number: 7006 2760 0000 0875 9568

DATED this 19th day of May, 2009

By:

Employee of the Division



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