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

* * *

In re:
Lawrence Sherman,
Respondent.

STIPULATED SETTLEMENT AGREEMENT

STIPULATED SETTLEMENT AGREEMENT

The licensing and regulation of mortgage brokers and mortgage agents in the State of Nevada is governed by Chapters 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, the "Division") has the general duty to exercise supervision and control over mortgage broker and mortgage agent activity. See, generally, NRS 645B.060. Pursuant to that authority, the Division hereby enters into the following Stipulated Settlement Agreement ("Agreement") with Lawrence Sherman ("Respondent"), as follows:

RECITALS

WHEREAS, Village Oaks Financial Group, Inc. ("Village Oaks Financial") is a corporation organized and existing under the laws of the State of Nevada since its incorporation on approximately November 7, 1997. Presently, Village Oaks Financial's status with the Nevada Secretary of State is "active".

WHEREAS, from approximately September 9, 1999, to date, Village Oaks Mortgage has been operating within the State of Nevada as a licensed mortgage broker.

1 WHEREAS, on approximately January 5, 2001, Respondent was issued a mortgage
2 agent license (No. 2179) by FID pursuant to Chapter 645B of NRS. On approximately January
3 6, 2006, Respondent's mortgage agent license was cancelled for failure to renew. See, NRS
4 645B.430(1).

5 WHEREAS, from approximately January 5, 2001, until approximately
6 January 28, 2005, Respondent was affiliated with, or employed by, Village Oaks Mortgage as
7 a licensed mortgage agent at Village Oaks Mortgage's principal office in Henderson, Nevada.

8 WHEREAS, commencing on approximately January 28, 2005, Respondent was the
9 qualified employee for Village Oaks Mortgage's branch office in Laughlin, Nevada and
10 conducted mortgage lending activity at that office on behalf of Village Oaks Mortgage until
11 approximately May 8, 2008, when the branch office closed.

12 WHEREAS, from approximately June 2008 and continuing thereafter, Respondent
13 conducted, and continues to conduct, mortgage agent activity on behalf of Village Oaks
14 Mortgage and otherwise held himself out, and continues to hold himself out, as engaging in or
15 carrying on the activities of a mortgage agent licensed by the Division pursuant to Chapter
16 645B of NRS.

17 WHEREAS, on April 28, 2009, the Division received a written complaint from an
18 individual alleging, among other things, that notwithstanding that Respondent was an
19 unlicensed mortgage agent, Respondent continued to solicit mortgage business from
20 individuals in real estate offices and that Village Oaks Mortgage allowed Respondent to
21 originate mortgage loans and paid him "under the table."
22

23 WHEREAS, Respondent admits conducting activities without being properly licensed.
24

25 WHEREAS, pursuant to NRS 645B.060, the Division is charged with conducting
26 "...such investigations as may be necessary to determine whether any person has violated
27 any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the
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1 Commissioner....” See, NRS 645B.060(2)(c).

2 WHEREAS, pursuant to NRS 645B.400, “(a) person shall not act as or provide any of
3 the services of a mortgage agent or otherwise engage in, carry on or hold himself out as
4 engaging in or carrying on the activities of a mortgage agent unless the person has a license
5 as a mortgage agent issued pursuant to NRS 645B.410.”

6 WHEREAS, pursuant to NRS 645B.900, unless a person is exempt from Chapter 645B
7 of NRS and complies with exemption requirements, “(i)t is unlawful for any person to offer or
8 provide any of the services of a mortgage broker or mortgage agent or otherwise to engage
9 in, carry on or hold himself out as engaging in or carrying on the business of a mortgage
10 broker or mortgage agent without first obtaining the applicable license issued pursuant to this
11 chapter....”

12
13 WHEREAS, after settlement negotiations, the parties herein mutually desire to resolve
14 their differences and disputes without further proceedings through this Agreement.

15 NOW, THEREFORE, in consideration of the representations, covenants and conditions
16 set forth herein, the parties stipulate and agree as follows:

17 1. Respondent admits that he engaged in unlicensed mortgage agent activity in
18 violation of NRS 645B; that he has ceased such activity, and that he will continue to cease
19 such activity and seek licensing by they Division prior to commencing any further mortgage
20 agent activity.

21
22 2. Respondent hereby acknowledges and agrees, with full knowledge, to waive his
23 right to have the Division file a complaint, if one has not been filed by the date that
24 Respondent executes this Agreement, or if a complaint has been filed, to go to a hearing in
25 this matter.

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27 3. In light of the parties’ desire to resolve this matter, Respondent shall, pursuant to
28 NRS 645B.670 and/or NRS 622.400, pay to the Division an administrative fine in the amount

1 of Five Thousand Dollars (\$5,000.00).

2 4. The parties agree, however, that the Division shall suspend the payment of
3 \$3,750.00 of the full fine for a period of 24 months from the date the Division executes this
4 Agreement on condition that Respondent fully complies with NRS Chapter 645B and NAC
5 Chapter 645B and with each and every law and regulation applicable to it in its conduct of a
6 mortgage agent. If within 24 months of the execution of this Agreement by the Division it is
7 determined by the Division that the Respondent has violated any of the foregoing, the
8 administrative fine levied against Respondent shall revert to the originally specified sum of
9 \$5,000.00 and the remaining \$3,750.00 shall become immediately due and payable to the
10 Division. Payment of the initial \$1,250.00 shall be made upon Respondent's execution of this
11 Agreement.
12

13 5. Respondent shall, pursuant to NRS 645B.670 and/or NRS 622.400, pay to the
14 Division investigatory costs directly related to the investigation of this case in the amount of
15 Six Hundred Ninety Dollars (\$690.00). Payment shall be made upon Respondent's execution
16 of this Agreement.
17

18 6. Respondent agrees that in the event that he violates any of the provisions of this
19 Agreement, the Division shall retain any and all remedies available to it in accordance with
20 NRS Chapter 645B.

21 7. The parties agree and acknowledge that this Agreement shall constitute the
22 complete and final resolution of any issues arising out of the Division's investigation into
23 Respondent's conduct as specified herein.

24 8. The parties represent and warrant that the person executing the Agreement on
25 behalf of each party has full power and authority to do so, and has the legal capacity to
26 conduct the legal obligations assigned to it hereunder.
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2 9. Respondent further acknowledges and agrees that the Division shall retain the
3 original of the Agreement.

4 10. This Agreement may be signed in counterparts and a facsimile signature shall
5 be deemed as valid as an original, however, Respondent shall immediately forward all original
6 signature pages to the Division.

7 11. The Agreement, as well as the rights and obligations of the parties hereto shall
8 be interpreted, governed, and construed pursuant to the laws of the State of Nevada.
9

10 12. Any action to enforce the Agreement shall be brought in the Eighth Judicial
11 District Court of the State of Nevada in and for Clark County.

12 13. If the Division is successful in any action to enforce this Agreement, the court
13 may award it attorney's fees. It is specifically agreed that reasonable attorney's fees for the
14 State-employed attorneys shall be \$125 per hour.

15 14. Failure to declare a breach or the actual waiver of any particular breach of the
16 Agreement or its material terms, by either party, shall not operate as a waiver by such party of
17 any of its rights or remedies as to any other breach.
18

19 15. The Respondent has the right to retain an attorney to review this Agreement at
20 its sole cost and expense and has freely and voluntarily chosen not to do so.

21 16. Other than the fines and investigative costs set forth herein, each side shall pay
22 its own costs and fees, including attorney's fees.

23 17. If any provision contained in the Agreement is held to be unenforceable by a
24 court of law or equity, the Agreement shall be construed as if such a provision(s) did not exist
25 and the unenforceability of such provision(s) shall not be held to render any other provision(s)
26 of the Agreement unenforceable.
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28 18. The Agreement constitutes the entire Agreement of the parties, and it is

1 intended as a complete and exclusive statement of the promises, representations,
2 negotiations, and discussions of the parties. Unless otherwise expressly authorized by its
3 terms, the Agreement shall be binding upon the parties unless the same is in writing, signed
4 by the respective parties hereto, and approved by the Office of the Attorney General.

5 19. **NOTICE TO RESPONDENT:** By executing this Agreement, you hereby agree
6 that you are waiving certain rights as set forth herein. As the Respondent, you are specifically
7 informed that you have the right to request that the Division file an administrative complaint
8 against you, at any hearing on such a complaint you have the right to appear and be heard in
9 your defense, either personally or through your counsel of choice. If the Division were to file a
10 complaint, at the hearing, the Division would have the burden of proving the allegations in the
11 complaint and would call witnesses and present evidence against you. You would have the
12 right to respond and to present relevant evidence and argument on all issues involved. You
13 would have the right to call and examine witnesses, introduce exhibits, and cross-examine
14 opposing witnesses on any matter relevant to the issues involved.
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16 You would have the right to request that the Commissioner of the Division issue
17 subpoenas to compel witnesses to testify and/or evidence to be offered on your behalf. In
18 making this request, you may be required to demonstrate the relevance of the witness's
19 testimony and/or evidence. Other important rights you have are listed in NRS Chapter 645B
20 and NRS Chapter 233B.
21

22 20. Neither this Agreement nor any statements made concerning this Agreement
23 may be discussed or introduced into evidence at the hearing of the complaint, if the Division
24 must ultimately put on a case based upon Respondent's failure to comply with the terms and
25 conditions of this Agreement.
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DATED this _____ day of July, 2009.

By: _____
Lawrence Sherman

DATED this _____ day of July, 2009.

State of Nevada
Department Of Business and Industry
Division of Mortgage Lending

By: _____
Joseph L. Waltuch, Commissioner