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

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In re:

VSV Capital LLC dba  
Tellus Capital,  
  
Respondent.

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**STIPULATED SETTLEMENT AGREEMENT**

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 hereby enters into the following Stipulated Settlement Agreement ("Agreement") with VSV Capital LLC. dba Tellus Capital and (Respondent), as follows:

**RECITALS**

WHEREAS, Respondent is currently incorporated in the State of Nevada and is not licensed to operate as a mortgage broker in the State of Nevada.

WHEREAS, Respondent was a licensed mortgage broker with the Division until June 30, 2009.

WHEREAS, pursuant to NRS 645B.060, the Division is charged with conducting "...an annual examination of each mortgage broker doing business in this State...." See, NRS 645B.060 (2) (d).

1 WHEREAS, pursuant to NRS 645B.060, the Division conducted a regularly scheduled  
2 examination of the Respondent books and records which commenced on January 26, 2009.

3 WHEREAS, the servicing account and the origination account were not appropriately  
4 named to indicate that the money deposited therein did not belong to Respondent;  
5 additionally, borrower loan payments and investor interest payments were commingled with  
6 money in Respondent's general operating account.

7 WHEREAS, pursuant to NRS 645B.670, "for each violation committed by a mortgage  
8 broker, the Commissioner may impose upon the mortgage broker an administrative fine of not  
9 more than \$10,000, may suspend, revoke or place conditions upon his license, or may do  
10 both, if the mortgage broker, whether or not acting as such: Has engaged in any other  
11 conduct constituting a deceitful, fraudulent or dishonest business practice..." See NRS  
12 645B.670 (2) (o);

14 WHEREAS, after settlement negotiations, the Division and Respondent (collectively,  
15 "the parties") herein mutually desire to resolve this matter without further proceedings through  
16 this Agreement.

17 NOW, THEREFORE, in consideration of the representations, covenants and conditions  
18 set forth herein, IT IS HEREBY STIPULATED AND AGREED by the parties that the purported  
19 violations found during the examination of the Respondent's books and records shall be  
20 settled on the following terms and conditions:

22 1. Respondent admits that it failed to conduct business in accordance with the law and  
23 violated provisions of Chapter 645B of NRS by failing to properly name bank accounts  
24 belonging to investors as trust accounts and commingled monies belonging to the investors  
25 with monies belonging to Respondent in violation of NRS 645B.670 (2) (c) and NRS 645B.175  
26 (1) (b) (1) and NRS 645B.175 (4) (b) (1). The parties agree, however, that no consumer was  
27 apparently harmed by these violations.  
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1           2. Respondent hereby acknowledges and agrees, with full knowledge, to waive its right  
2 to have the Division file a complaint, if one has not been filed by the date that Respondent  
3 executes this agreement, or if a complaint has been filed, to go to a hearing in this matter.

4           3. In light of the parties' desire to resolve this matter, Respondent shall, pursuant to  
5 NRS 645B.670 and/or NRS 622.400, pay to the Division an administrative fine in the amount  
6 of Two Thousand Five Hundred Dollars (\$2,500.00) and Three Hundred Dollars (\$300.00) for  
7 investigation costs, upon its execution of this Agreement.

8           4. Respondent agrees that in the event that it violates any of the provisions of this  
9 Agreement, the Division shall retain any and all remedies available to it in accordance with  
10 NRS Chapter 645B.

11           5. The parties agree and acknowledge that this Agreement shall constitute the  
12 complete and final resolution of any issues arising out of the Division's January 2009  
13 examination of Respondent.

14           6. The parties represent and warrant that the person executing the Agreement on  
15 behalf of each party has full power and authority to do so, and has the legal capacity to  
16 conduct the legal obligations assigned to it hereunder.

17           7. Respondent further acknowledges and agree that the Division shall keep the original  
18 of this Agreement.

19           8. This Agreement may be signed in counterparts and a facsimile signature shall be  
20 deemed as valid as an original, however, Respondent shall immediately forward all original  
21 signature pages to the Division.

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

24           10. Any action to enforce the Agreement shall be brought in the Eighth Judicial District  
25 Court of the State of Nevada in and for Clark County.  
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1 11. If the Division is successful in any action to enforce this Agreement, the court may  
2 award it attorney's fees. It is specifically agreed that reasonable attorney's fees for the State-  
3 employed attorneys shall be \$125 per hour.

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

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

9 14. Other than the fine and costs of investigation set forth herein, each side shall pay  
10 its own costs and fees, including attorney's fees.

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

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

20 21. **NOTICE TO RESPONDENT:** By executing this Agreement, you hereby agree that  
22 you are waiving certain rights as set forth herein. As the Respondent, you are specifically  
23 informed that you have the right to request that the Division file an administrative complaint  
24 against you, at any hearing on such a complaint you have the right to appear and be heard in  
25 your defense, either personally or through your counsel of choice. If the Division were to file a  
26 complaint, at the hearing, the Division would have the burden of proving the allegations in the  
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1 complaint and would call witnesses and present evidence against you. You would have the  
2 right to respond and to present relevant evidence and argument on all issues involved. You  
3 would have the right to call and examine witnesses, introduce exhibits, and cross-examine  
4 opposing witnesses on any matter relevant to the issues involved.

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

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11 18. Respondent understands and agrees that this Agreement may be used to show  
12 that past violations have occurred should any future disciplinary action be taken by the  
13 Division.

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15 19. In consideration of execution of this Agreement, the Respondent for itself, its  
16 owners, heirs, executors, administrators, successors, and assigns, hereby releases, remises,  
17 and forever discharges the State of Nevada, the Department of Business and Industry of the  
18 State of Nevada, the Division, and each of their members, agents, attorneys (including any  
19 and all employees of the Nevada Attorney General), and employees in their individual and  
20 representative capacities, from any and all manner of actions, causes of action, suits, debts,  
21 judgments, executions, claims, and demands whatsoever, known and unknown, in law or  
22 equity, that the Respondent ever had, now has, may have, or claim to have against any or all  
23 of the persons or entities named in this section, arising out of or by reason of the Division's  
24 examination of Respondent, and all other matters relating thereto.

25 20. Respondent hereby indemnifies and holds harmless the State of Nevada, the  
26 Department of Business and Industry of the State of Nevada, the Division, and each of their  
27 members, agents, and employees, and employees of the Nevada Attorney General in their  
28 individual and representative capacities against any and all claims, suits, and actions brought  
against said persons and/or entities by reason of the Division's examination of Respondent,

1 this Agreement, and all other matters relating thereto, and against any and all expenses,  
2 damages, and costs, including court costs and attorney fees, which may be sustained by the  
3 persons and/or entities named in this section as a result of said claims, suits, and actions.

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5 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed  
6 and intend to be legally bound thereby.

7 Dated this 25<sup>th</sup> day of August, 2009.

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9 VSV Capital LLC, dba Tellus Capital

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11 By: 

12 Ofir Ventura, Principal

13 Dated this 25<sup>th</sup> day of August, 2009.

14 State of Nevada  
15 Department of Business and Industry  
16 Division of Mortgage Lending

17 By: 

18 Joseph L. Waltuch, Commissioner  
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