

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

3 WHEREAS, pursuant to NRS 645B.060, the Division conducted an examination
4 of Cedar on April 6, 2009; and

5 WHEREAS, the examination of the books and records of Cedar disclosed the
6 following issues:

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8 1. Respondents failed to refund monies as agreed for collection of discount fees
9 that had not been used to lower the rate of interest on a loan, which was cited during
10 Cedar's 2006 examination; the refund was made following the March 2009 examination.

11 2. Respondents allowed Coby Culley to transact loan originations on behalf of
12 Cedar without proper licensure as a mortgage agent, in violation of NRS 645B.450(2).
13 The examination concluded that Mr. Culley completed a mortgage agent application and
14 provided it to the then qualified employee, Rochelle Sutherland; however, Ms. Sutherland
15 failed to submit the application to the Division.
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17 3. Respondents did not exercise proper oversight of the licensed office and did
18 not ensure that the approved qualified employee, Ms. Sutherland, was present at the
19 office to oversee the operations of the office, and that the qualified employee was
20 transacting business in accordance with law.

21 4. Employment and deposit verifications, as well as loan applications, were signed
22 utilizing the names and signatures of persons other than the person actually signing the
23 document. Staff maintained that they had been directed by the qualified employee, Ms.
24 Sutherland, to complete the documents in this manner in her absence.
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26 5. On one loan reviewed, bank statements were submitted for underwriting which
27 were altered slightly to remove references to transfers from savings to cover non-
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1 sufficient fund overdrafts (NSF), although the lender supported that the NSF would not
2 have impacted its decision to fund the fully documented loan;

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

5 NOW, THEREFORE, in consideration of the representations, covenants and conditions set forth
6 herein, IT IS HEREBY STIPULATED AND AGREED to by the Division and Respondents that the
7 violations found during the examinations of Respondents' books and records and referenced herein,
8 shall be settled on the following terms and conditions:
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10 1. Respondents fully admit to violations of NRS 645B.450(2), as detailed
11 above, although they relied on the former qualified employee, Rochelle Sutherland, to
12 ensure all applicable persons were properly licensed.

13 2. Respondents agree to pay to the Division the amount of Two Hundred and
14 Fifty Dollars (\$250), for attorney costs related to this matter within 30 days from the date
15 this Agreement is executed by the Commissioner. All Respondents are jointly and
16 severally responsible for payment of the \$250 in attorney's fees assessed above.
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18 3. Respondents agree to pay to the Division a fine in the amount of Five
19 Thousand Dollars (\$5,000) within 30 days from the date this Agreement is executed by
20 the Commissioner. All Respondents are jointly and severally responsible for payment of
21 this fine.
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23 4. Respondents agree to exercise adequate supervision of the licensed office
24 and to comply with the provisions of NRS 645B, including but not limited to, compliance
25 with NRS 645B.450, by ensuring all applicable persons hold an active mortgage agent
26 license.

27 5. This Agreement is intended to resolve all issues related to the findings in the April 6,
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1 2009 report of examinations. However, this Agreement shall not prevent the Division from filing
2 administrative actions against Respondents in the future for new acts or allegations which may
3 constitute new violations whether or not the same or similar to those disposed of by this Agreement. In
4 addition, for up to two years after this Agreement is executed, the Division may utilize the findings of
5 the April 6, 2009 examination as well as this Agreement as evidence in any future administrative
6 actions.

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8 6. The parties hereto represent and warrant that the person executing this Agreement on
9 behalf of each party has full power and authority to enter into this Agreement and has the legal capacity
10 to conduct the legal obligations assigned to it under this Agreement.

11 7. Except as described above in paragraphs, 2 and 3, each party shall pay its own costs and
12 fees with respect to this matter.

13 8. Respondents further acknowledge and agree that the Division shall keep the original of
14 this Agreement.

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16 9. This Agreement, as well as the rights and obligations of the parties hereto,
17 shall be interpreted, governed, and construed pursuant to the laws of the State of Nevada,
18 and any action to enforce the Agreement shall be brought in the Second Judicial District
19 Court of the State of Nevada in and for Washoe County.

20 10. If the Division is the prevailing party to any action brought to enforce this Agreement,
21 the Division shall be entitled to reasonable costs and attorney's fees. It is specifically agreed that
22 reasonable attorney's fees for State-employed attorneys shall be \$125.00 per hour.

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24 11. If any provision contained in this Agreement is held to be unenforceable
25 by a court of law or equity, this Agreement shall be construed as if such provision(s) did
26 not exist and the non-enforceability of such provisions(s) shall not be held to render any
27 other provision(s) of this Agreement unenforceable. The failure to declare a breach or the
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1 actual waiver of any particular breach of this Agreement or its material terms, by either
2 party, shall not operate as a waiver by such party of any of its rights or remedies as to any
3 other breach.

4 12. In consideration for the execution of this Agreement, Respondents, for
5 themselves, their heirs, executors, administrators, successors and assigns, hereby release
6 and forever discharge the State of Nevada, the Division, the Nevada Attorney General,
7 and each of their members, agents and employees in their individual and representative
8 capacities, from any and all manner of actions, causes of action, suits, debts, judgments,
9 executions, claims and demands whatsoever, known or unknown, in law and equity, that
10 Respondents ever had, now has, may have or claim to have against any and all of the
11 persons or entities named in this paragraph arising out of, or by reason of, the
12 examination findings referenced above, this action or any other matter relating thereto.
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14 13. In consideration for the execution of this Agreement, Respondents hereby
15 indemnify and hold harmless the State of Nevada, the Division, the Nevada Attorney
16 General, and each of their members, agents and employees in their individual and
17 representative capacities, against any and all claims, suits and actions, brought against any
18 of the persons named in this paragraph by reason of the examination findings referenced
19 above, this action and all other matters relating thereto, and against any and all expenses,
20 damages, charges and costs, including court costs and attorney fees, which may be
21 sustained by any of the persons and entities named in this paragraph as a result of said
22 claims, suits and actions.
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25 14. Respondents enter into this Agreement freely and voluntarily.
26 Respondents acknowledge that this Agreement is not the product of force, threats, or any
27 other form of coercion or duress, but is the product of discussions between Respondents
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1 and the Division and the attorney for the Division. This Agreement constitutes the entire
2 agreement of the parties, and it is intended as a complete and exclusive statement of the
3 promises, representations, negotiations and discussions of the parties. Unless otherwise
4 expressly authorized by its terms, this Agreement shall be binding upon the parties unless
5 the same is modified in writing and signed by the respective parties hereto.

6 15. Respondents and the Division acknowledge that this Agreement is made to avoid
7 possible administrative action and to economize resources.

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9 16. **NOTICE TO RESPONDENTS:** By executing this Agreement, you hereby agree that
10 you are waiving certain rights as set forth herein. As Respondents, you are specifically informed that
11 you have the right to request that the Division file an administrative complaint against you. At any
12 hearing on such a complaint, you would have the right to appear and be heard in your defense, either
13 personally or through your counsel of choice. If the Division were to file a complaint at the hearing, the
14 Division would have the burden of proving the allegations in the complaint and would call witnesses
15 and present evidence against you. You would have the right to respond and to present relevant evidence
16 and argument on all issues involved. You would have the right to call and examine witnesses, introduce
17 exhibits, and cross-examine opposing witnesses on any matter relevant to the issues involved.

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

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24 17. The parties agree and understand that this Agreement is intended to operate as a full and
25 final settlement of the above-referenced issues related to the findings of the April 6, 2009 report of
26 examination for Respondents' mortgage broker license. Respondents are aware that they may retain an
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1 attorney at their own cost and expense to review this Agreement but have freely and voluntarily chosen
2 not to do so.

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

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6 DATED this 18th day of ~~August~~^{Sept.}, 2009.

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8 By: Suzanne Schoney
9 Suzanne Schoney, individually and as owner of Cedar
10 Woods Financial

11 DATED this 18th day of ~~August~~^{Sept.}, 2009.

12 By: Joseph R Schoney
13 Joseph Schoney, individually and as owner of Cedar Woods
14 Financial

15 DATED this 25th day of ~~August~~^{Sept}, 2009.

16 STATE OF NEVADA
17 DEPARTMENT OF BUSINESS AND INDUSTRY
18 DIVISION OF MORTGAGE LENDING

19 By: Joseph L. Waltuch
20 Joseph L. Waltuch, Commissioner
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CERTIFICATE OF SERVICE

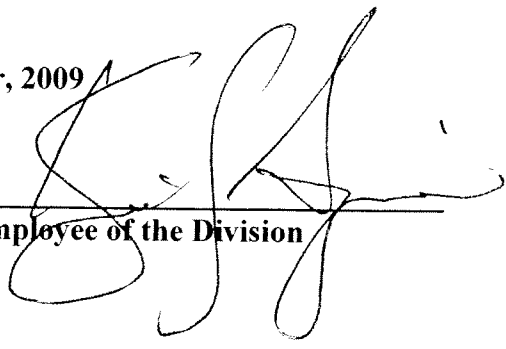
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I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on September 8, 2009, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, **STIPULATED SETTLEMENT AGREEMENT** for **CEDAR WOODS FINANCIAL AND SUZANNE & JOSEPH SCHONEY** , addressed as follows:

**Suzanne & Joseph Schoney
Cedar Woods Financial
1115 S. Main, #300
Cedar City, UT 84720**

Certified Receipt Number: 7006 2760 0000 0875 9063

DATED this 8th day of September, 2009

By: 
Employee of the Division

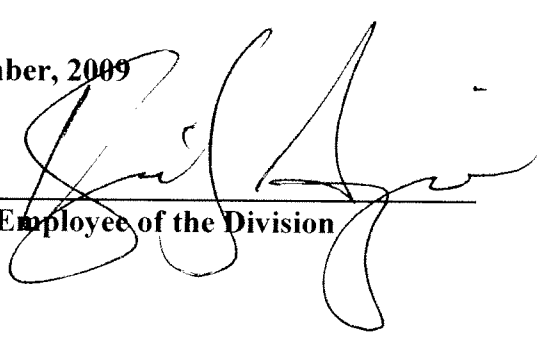
CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on September 28, 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, FULLY EXECUTED STIPULATED SETTLEMENT AGREEMENT for CEDAR WOODS FINANCIAL, SUZANNE AND JOSEPH SCHONEY, addressed as follows:

**Suzanne & Joseph Schoney
Cedar Woods Financial
1115 S. Main Street, # 300
Cedar City, UT 84720**

Certified Receipt Number: 7006 2760 0000 0875 9292

DATED this 28th day of September, 2009

**By: 
Employee of the Division**