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

In re:
Academy Mortgage Corporation,
Respondent.

STIPULATED SETTLEMENT AGREEMENT

The licensing and regulation of mortgage brokers, mortgage bankers and escrow agencies in the State of Nevada is governed by Chapter 645B, Chapter 645E and Chapter 645A of the Nevada Revised Statutes (hereinafter "NRS"), respectively, and the regulations promulgated thereunder. 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 brokers, mortgage bankers and escrow agencies pursuant to these chapters. Pursuant to that authority, the Division hereby enters into the following Stipulated Settlement Agreement (hereinafter "Agreement") with Academy Mortgage Corporation (hereinafter "Respondent"), as follows:

RECITALS

WHEREAS, Respondent is a Utah corporation. Currently, Respondent's status with the Nevada Secretary of State is "active."

WHEREAS, pursuant to NRS Chapter 645E, Respondent was issued a mortgage banker license (License No. 2731) on March 6, 2007. Currently, Respondent's status with the Division is "active license."

1 WHEREAS, based upon information and belief and at all relevant times herein
2 mentioned, Respondent conducted mortgage banker activity in the State of Nevada out of an
3 office located at 1218 East 7800 South, #100, Sandy, Utah 84094 (hereinafter "Respondent's
4 Sandy Office") and 12596 West Bayaud Avenue, Suite 190, Lakewood, Colorado 80228
5 (hereinafter "Respondent's Lakewood Office").

6 WHEREAS, pursuant to NRS 645E.200, a person who wishes to be licensed as a
7 mortgage banker must file a written application for a license with the Office of the
8 Commissioner and must "[s]tate the name, residence address and business address of the
9 applicant and the location of each principal office and branch office at which the mortgage
10 banker will conduct business in this State, including, without limitation, any office or other
11 place of business located outside this State from which the mortgage banker will conduct
12 business in this State." See, NRS 645E.200(1)(b).

14 WHEREAS, pursuant to NRS 645E.900, "[i]t is unlawful for any person to offer or
15 provide any of the services of a mortgage banker or otherwise to engage in, carry on or hold
16 himself or herself out as engaging in or carrying on the business of a mortgage banker without
17 first obtaining a license as a mortgage banker pursuant to this chapter, unless the person:
18 1. Is exempt from the provisions of this chapter; and 2. Complies with the requirements for
19 that exemption."
20

21 WHEREAS, pursuant to 645E.300, with limited exception, the Division is charged with
22 conducting "an annual examination of each mortgage banker doing business in this State."
23 See NRS 645E.300(2)(d).

24 WHEREAS, pursuant to NRS 645E.300, the Division conducted a regularly scheduled
25 examination of Respondent's books and records for Respondent's Lakewood Office
26 commencing on April 23, 2010 which revealed that:

27
28 a. On October 29, 2009, Respondent's mortgage agent Stephen McNeely

1 (hereinafter "McNeely") conducted mortgage loan activity on the Morrison and Morales loans
2 on behalf of Respondent out of Respondent's Lakewood Office;

3 b. Respondent's Lakewood Office was not licensed by the Division pursuant to
4 Chapter 645E of NRS at the time McNeely conducted the mortgage loan activities on behalf of
5 Respondent;

6 c. Respondent reported the Morrison mortgage loan activity to the Division as
7 originating from Respondent's Sandy Office and on the Morales loan as originating from
8 Respondent's Lakewood Office prior to the time Respondent's Lakewood Office was licensed
9 by the Division; and
10

11 d. Respondent's Lakewood Office was subsequently licensed by the Division
12 on January 14, 2010.

13 WHEREAS, pursuant to NRS 645E.670, "[f]or each violation committed by a licensee,
14 the Commissioner may impose upon the licensee an administrative fine of not more than
15 \$10,000, may suspend, revoke or place conditions upon the license, or may do both, if the
16 licensee, whether or not acting as such... [d]oes not conduct his or her business in
17 accordance with law or has violated any provision of this chapter, a regulation adopted
18 pursuant to this chapter or an order of the Commissioner..." See NRS 645E.670(2)(c).
19

20 WHEREAS, after settlement negotiations, the Division and Respondent (collectively,
21 the "Parties") wish to resolve this matter without the necessity of the filing of a complaint for a
22 formal hearing.

23 NOW, THEREFORE, in consideration of the representations, covenants and conditions
24 set forth herein, IT IS HEREBY STIPULATED AND AGREED by the Parties that the purported
25 violations of NRS shall be settled on the following terms and conditions:
26

27 1. Respondent acknowledges it conducted mortgage loan activity out of Respondent's
28 Lakewood Office at the time such office was not licensed by the Division, in violation of NRS

1 645E.900.

2 2. Respondent acknowledges and agrees, with full knowledge, to waive its right to
3 have the Division file a complaint if one has not been filed by the date that Respondent
4 executes this Agreement, or if a complaint has been filed, to go to a hearing in this matter.

5 3. Respondent shall, pursuant to NRS 645E.670 and/or NRS 622.400, pay an
6 administrative fine to the Division in the amount of Five Thousand Dollars and No Cents
7 (\$5,000.00) and the Division's investigative and other costs in the amount of Two Hundred
8 Forty Five Dollars and No/Cents (\$245.00). Respondent shall make payment, in full, to the
9 Division of the administrative fine and investigative and other costs upon its execution of this
10 Agreement.
11

12 4. Respondent shall make restitution to Morrison on the Morrison loan in the amount
13 of \$4,824.64, and Respondent shall make restitution to Morales on the Morales loan in the
14 amount of \$4,828.00. Respondent shall provide proof to the Division that such restitution was
15 made prior to the time Respondent executes this Agreement.
16

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

20 6. The parties represent and warrant that the persons executing this Agreement on
21 behalf of each party has full power and authority to do so, and has the legal capacity to
22 conduct the legal obligations assigned to it hereunder.

23 7. Respondent further acknowledges and agrees that the Division shall keep the
24 original of this Agreement.

25 8. This Agreement may be signed in counterparts and a facsimile signature shall be
26 deemed as valid as an original; however, Respondent shall immediately forward all original
27 signature pages to the Division.
28

1 9. This Agreement, as well as the rights and obligations of the parties hereto, shall be
2 interpreted, governed, and construed pursuant to the laws of the State of Nevada.

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

5 11. If the Division is successful in any action to enforce this Agreement, the court may
6 award it attorney's fees. It is specifically agreed that reasonable attorney's fees for the State-
7 employed attorneys shall be \$142.55 per hour.

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

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

13 14. Other than the fine and investigatory and other costs set forth herein, each side
14 shall pay its own costs and fees, including attorney's fees.

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

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

24 17. **NOTICE TO RESPONDENT:** By executing this Agreement, you hereby agree that
25 you are waiving certain rights as set forth herein. As Respondent, you are specifically
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1 informed that you have the right to request that the Division file an administrative complaint
2 against you, and at any hearing on such a complaint, you would have the right to appear and
3 be heard in your defense, either personally or through your counsel of choice. If the Division
4 were to file a complaint, at the hearing, the Division would have the burden of proving the
5 allegations in the complaint and would call witnesses and present evidence against you. You
6 would have the right to respond and to present relevant evidence and argument on all issues
7 involved. You would have the right to call and examine witnesses, introduce exhibits, and
8 cross-examine opposing witnesses on any matter relevant to the issues involved.
9

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

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

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

3 20. Respondent hereby indemnifies and holds harmless the State of Nevada, the
4 Department of Business and Industry of the State of Nevada, the Division, and each of their
5 members, agents, and employees, and employees of the Nevada Attorney General in their
6 individual and representative capacities against any and all claims, suits, and actions brought
7 against said persons and/or entities by reason of the Division's examination of Respondent,
8 this Agreement, and all other matters relating thereto, and against any and all expenses,
9 damages, and costs, including court costs and attorney fees, which may be sustained by the
10 persons and/or entities named in this section as a result of said claims, suits, and actions.
11

12 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed
13 and intend to be legally bound thereby. This Agreement shall constitute an Order of the
14 Commissioner.


15 Dated this 14th day of July, 2010.

16
17 Academy Mortgage Corporation
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19 By:

20 Title: President

21 Dated this 21st day of July, 2010.

22
23 State of Nevada
24 Department of Business and Industry
25 Division of Mortgage Lending
26 

27 By:

28 Joseph L. Waltuch, Commissioner