

1 STATE OF NEVADA
2 DEPARTMENT OF BUSINESS AND INDUSTRY
3 DIVISION OF MORTGAGE LENDING

4 * * *

5 In re:
6 Investors Mortgage Corporation,
7 Respondent.
8
9

10 **STIPULATED SETTLEMENT AGREEMENT**

11 The licensing and regulation of mortgage brokers, mortgage bankers and escrow
12 agencies in the State of Nevada is governed by Chapter 645B, Chapter 645E and Chapter
13 645A of the Nevada Revised Statutes (hereinafter "NRS"), respectively, and the regulations
14 promulgated thereunder. The State of Nevada, Department of Business and Industry, Division
15 of Mortgage Lending (hereinafter the "Division") has the general duty to exercise supervision
16 and control over mortgage brokers, mortgage bankers and escrow agencies pursuant to these
17 chapters. Pursuant to that authority, the Division hereby enters into the following Stipulated
18 Settlement Agreement (hereinafter "Agreement") with Investors Mortgage Corporation
19 (hereinafter "Respondent"), as follows:
20

21 **RECITALS**

22 WHEREAS, based upon information and belief, Respondent is a Nevada corporation.
23 Currently, Respondent's status with the Nevada Secretary of State is "active."
24

25 WHEREAS, Respondent was originally licensed as a mortgage broker with the
26 Financial Institutions Division on September 16, 1998, pursuant to Chapter 645B of NRS and
27 subsequently with the Division. Respondent's current status with the Division is listed as
28 "active."

1
2 WHEREAS, at all relevant times herein mentioned, Respondent operated within the
3 State of Nevada as a licensed mortgage broker. All factual allegations herein occurred while
4 Respondent held an active mortgage broker license.

5 WHEREAS, pursuant to NRS 645B.060, subject to the administrative control of the
6 director of the Department of Business and Industry, the Commissioner shall, with limited
7 exception, "conduct an annual examination of each mortgage broker doing business in this
8 State...." See, NRS 645B.060(2)(d).

9
10 WHEREAS, on October 6, 2009, the Division commenced a regularly scheduled
11 examination of Respondent and determined the Respondent was commingling client money
12 with his own money.

13 WHEREAS, pursuant to NRS 645B.670, "[f]or each violation committed by a mortgage
14 broker, the Commissioner may impose upon the mortgage broker an administrative fine of not
15 more than \$25,000, may suspend, revoke or place conditions upon his license, or may do
16 both, if the mortgage broker...[i]s grossly negligent or incompetent in performing any act for
17 which he is required to be licensed pursuant to the provisions of this chapter...[d]oes not
18 conduct his business in accordance with law or has violated any provision of this chapter, a
19 regulation adopted pursuant to this chapter or an order of the Commissioner....[h]as
20 commingled the money or other property of a client with his or her own..." See, NRS
21 645B.670(2)(b), (c) and (n).

22
23 WHEREAS, after settlement negotiations and in light of the corrective actions taken by
24 Respondent herein, the Division and Respondent (collectively, the "Parties") wish to resolve
25 this matter without the necessity of the filing of a complaint for a formal hearing.

26
27 NOW, THEREFORE, in consideration of the representations, covenants and conditions
28 set forth herein, IT IS HEREBY STIPULATED AND AGREED by the Parties that the purported

1 violations of NRS shall be settled on the following terms and conditions:

2 1. Respondent admits it failed to establish required trust accounts and those
3 actions allowed client money to be commingled with Respondent's own money, in violation of
4 NRS 645B.175.

5 2. Respondent provided the Division a written plan of correction and with monthly
6 trust reconciliations for the months of January 2010 through June 2010 verifying the
7 reconciliation of all trust accounts and that no client money was missing or inappropriately
8 used.

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

12 4. Respondent shall, pursuant to NRS 645B.670 and/or NRS 622.400, pay an
13 administrative fine to the Division in the amount of Three Thousand Five Hundred Dollars and
14 No Cents (\$3,500.00) and the Division's investigative costs in the amount of One Hundred
15 Eighty Dollars and No/Cents (\$180.00). Respondent shall make payment, in full, to the
16 Division of the administrative fine and investigative costs upon its execution of this agreement.

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 645B.

20 6. The parties agree and acknowledge that this Agreement shall constitute the
21 complete and final resolution of any issues arising out of the Division's October 2009
22 examination of Respondent.

23 7. The parties represent and warrant that the persons executing this Agreement on
24 behalf of each party has full power and authority to do so, and has the legal capacity to
25 conduct the legal obligations assigned to it hereunder.
26
27
28

1 8. Respondent further acknowledges and agrees that the Division shall keep the
2 original of this Agreement.

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

6 10. This Agreement, as well as the rights and obligations of the parties hereto, shall
7 be interpreted, governed, and construed pursuant to the laws of the State of Nevada.

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

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

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

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

18 15. Other than the fine and investigatory costs set forth herein, each side shall pay
19 its own costs and fees, including attorney's fees.

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

24 17. This Agreement constitutes the entire agreement of the parties, and it is
25 intended as a complete and exclusive statement of the promises, representations,
26
27
28

1 negotiations, and discussions of the parties. Unless otherwise expressly authorized by its
2 terms, this Agreement shall be binding upon the parties unless the same is in writing, signed
3 by the respective parties hereto, and approved by the Office of the Attorney General.

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

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

21 19. Respondent understands and agrees that this Agreement may be used to show
22 that past violations have occurred should any future disciplinary action be taken by the
23 Division.

24 20. In consideration of the execution of this Agreement, Respondent, for itself, its
25 owners, heirs, executors, administrators, successors, and assigns, hereby releases, remises,
26 and forever discharges the State of Nevada, the Department of Business and Industry of the
27 State of Nevada, the Division, and each of their members, agents, attorneys (including any
28

