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

In re:
American Loan Modifications, Inc. and
Harvey Collins
Respondents.

FINAL ORDER

The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Division"), having issued American Loan Modifications, Inc. and Harvey Collins ("Respondents") an Order to Cease and Desist, Order Imposing Licensure Conditions, Notice of Intent to Revoke Independent Licensee License, Notice of Intent to Revoke Associated Licensee License, Notice of Intent to Impose Fine and Notice of Right to Request Hearing on January 25, 2011, attached hereto as Exhibit "1" and incorporated herein by reference, which notified Respondents that a final order would issue in this matter unless Respondents requested a hearing to contest the charges against it, within twenty (20) days of issuance of said Order, and;

Said Order having been served on January 28, 2011 via certified mail and regular mail, and;

Respondents having failed to request a hearing in this matter, and good cause appearing:

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1 **IT IS HEREBY ORDERED** that, pursuant to NRS 622.080, NRS Chapter 645F and the
2 regulation, Respondents shall immediately **CEASE AND DESIST** soliciting for and conducting
3 any and all covered service provider, foreclosure consultant and/or loan modification activity in
4 the State of Nevada. In addition, Respondents will be subject to the licensure conditions and
5 administrative fines, fees and/or costs as set forth in the original Order attached hereto as
6 Exhibit "1".

7 **IT IS FURTHER ORDERED** that Respondent American Loan's independent licensee
8 covered service provider license is **REVOKED**.

9 **IT IS FURTHER ORDERED** that Respondent HC's associated licensee license is
10 **REVOKED**.

11 **IT IS FURTHER ORDERED** that the sum of said administrative fines, fees and/or costs
12 be paid in full within **thirty (30) days** of entry of this Order;
13

14
15 Dated this 22nd day of February, 2011.
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18 By 

Nancy Corbin, Acting Commissioner
State of Nevada
Department of Business and Industry
Division of Mortgage Lending

EXHIBIT “1”

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

In re:

American Loan Modifications, Inc., and
Harvey Collins,

Respondents.

**ORDER TO CEASE AND DESIST, ORDER IMPOSING LICENSURE CONDITIONS,
NOTICE OF INTENT TO REVOKE INDEPENDENT LICENSEE LICENSE, NOTICE OF
INTENT TO REVOKE ASSOCIATED LICENSEE LICENSE, NOTICE OF INTENT TO
IMPOSE FINE AND NOTICE OF RIGHT TO REQUEST HEARING**

The licensing and regulation of loan modification consultants, foreclosure consultants and other persons providing ‘covered services’ as defined in Nevada Revised Statutes (“NRS”) 645F.310 in the State of Nevada is governed by Chapter 645F of NRS and by permanent regulation R052-09 promulgated pursuant thereto (the “Regulation”). 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 covered service providers, foreclosure consultants and loan modification consultants. *See* Chapter 645F of NRS and the Regulation. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order, as follows:

FACTUAL ALLEGATIONS

1. Based upon information and belief, and at all relevant times herein mentioned, American Loan Modifications, Inc. (“American Loan”) was and is a Nevada corporation with an office located at 7201 W. Lake Mead Blvd., Suite 104, Las Vegas, Nevada 89128. Currently, American Loan’s status with the Nevada Secretary of State is “active.”

1 2. On approximately February 2, 2010, the Division issued American Loan an
2 independent licensee covered service provider license (License No. 3349). The Division
3 currently classifies American Loan's license as "closed."

4 3. Based upon information and belief, and at all relevant times herein mentioned,
5 Harvey Collins ("HC"), an individual, was and still is the owner of American Loan.

6 4. On approximately February 2, 2010 the Division issued HC an associated
7 licensee license (License No. 46864) as an employee of American Loan. The Division
8 currently classifies HC's license as "inactive."

9 6. American Loan and HC are hereinafter referred to individually as Respondent or
10 collectively as Respondents, as the context requires.

11 7. Pursuant to the Regulation, "[i]n addition to the other duties imposed upon the
12 Commissioner by law for the general supervision of licensees, the Commissioner
13 will...[c]onduct an examination of each independent licensee doing business in this State
14 within 3 months after the independent licensee commences business in this State and at least
15 annually thereafter...For each...examination, a licensee shall pay a fee based on the rate
16 established pursuant to NRS 645F.280 and section 64 of this regulation." See the
17 Regulation, Section 63.
18

19 8. Pursuant to Section 63 of the Regulation, the Division commenced a regularly
20 scheduled annual examination of American Loan on August 26, 2010 which revealed, among
21 other things, that American Loan:
22

23 a. Failed to place moneys collected from homeowners for the provision of
24 covered services into a separate trust account at a federally insured depository institution
25 located in this state and designated as "trust funds," "escrow accounts," or some other
26 appropriate name indicating the funds did not belong to American Loan, and commingled
27 homeowners' money with its own;
28

1 b. Failed to keep and maintain complete and suitable records of all covered
2 services transactions it conducted, including, but not limited to, records related to the trust
3 account(s) which clearly identify: the name, address and telephone number of each
4 homeowner; the account number of each loan; the address and contact information of each
5 lender or loan servicer related to each loan; the amount and date of each deposit; and the
6 amount and date of each withdrawal with the name of each recipient;

7 c. Failed to reconcile its bank accounts and/or failed to have monthly
8 reconciled balances on deposits equal to all moneys collected and deposited and not yet
9 legitimately disbursed;

10 d. Withdrew moneys collected from homeowners from its bank account
11 without being able to explain what the money was used for;

12 e. Employed or otherwise associated with six (6) individuals, including JA,
13 BW, DM, SR, MB and VD, in the capacity of a covered service provider, foreclosure consultant,
14 or loan modification consultant with none of the individuals having ever been issued a license
15 pursuant to 645F by the Division; and
16

17 f. Conducted covered service provider, foreclosure consultant, or loan
18 modification consultant business in California at a location not licensed by the Division.
19

20 9. Pursuant to NRS 645F.310, "covered service" includes, without limitation:
21 1. Financial counseling, including, without limitation, debt counseling and budget counseling;
22 2. Receiving money for the purpose of distributing it to creditors in payment or partial
23 payment of any obligation secured by a mortgage or other lien on a residence in foreclosure;
24 3. Contacting a creditor on behalf of a homeowner; 4. Arranging or attempting to arrange for
25 an extension of the period within which a homeowner may cure a default and reinstate an
26 obligation pursuant to a note, mortgage or deed of trust; 5. Arranging or attempting to
27 arrange for any delay or postponement of the time of a foreclosure sale; 6. Advising the filing
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1 of any document or assisting in any manner in the preparation of any document for filing with
2 a bankruptcy court; and 7. Giving any advice, explanation or instruction to a homeowner
3 which in any manner relates to the cure of a default in or the reinstatement of an obligation
4 secured by a mortgage or other lien on the residence in foreclosure, the full satisfaction of the
5 obligation, or the postponement or avoidance of a foreclosure sale.

6 10. Pursuant to the Regulation, “[a] person shall not advertise services as, provide
7 any of the services of, act as or conduct business as a covered service provider, foreclosure
8 consultant or loan modification consultant or otherwise engage in, carry on or hold himself out
9 as engaging in or carrying on the activities of a covered service provider, foreclosure
10 consultant or loan modification consultant unless the person has a license as a covered
11 service provider, foreclosure consultant or loan modification consultant, as applicable, issued
12 pursuant to this chapter and chapter 645F of NRS.” See Section 17 of the Regulation.

14 11. Pursuant to the Regulation, “[i]t is unlawful for any person to provide or offer to
15 provide any of the services of a covered service provider, foreclosure consultant or loan
16 modification consultant or otherwise to engage in, carry on or hold himself out as engaging in
17 or carrying on the business of a covered service provider, foreclosure consultant or loan
18 modification consultant without first obtaining the applicable license issued pursuant to this
19 chapter and chapter 645F of NRS, unless the person” is exempt from licensing and complies
20 with the requirements for that exemption. See Section 102 of the Regulation.

22 12. Pursuant to the Regulation, “[a]n independent licensee shall not...employee or
23 otherwise associate with a person as a covered service provider, foreclosure consultant or
24 loan modification consultant if that other person is not licensed with the Commissioner...”
25 pursuant to NRS 645F. See Section 38(1)(a) of the Regulation.

26 13. Pursuant to the Regulation, “[a]n associated licensee may be employed by or
27 otherwise associated with an independent licensee at one licensed office location of the
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1 independent licensee.” See Section 38(3) of the Regulation.

2 14. Pursuant to NRS 645F.394, “[a]ll money paid to a person who performs any
3 covered service for compensation, a foreclosure consultant or a loan modification consultant
4 by a person in full or partial payment of covered services to be performed: (a) [m]ust be
5 deposited in a separate checking account located in a federally insured depository financial
6 institution or credit union in this State which must be designated a trust account; (b) [m]ust be
7 kept separate from money belonging to the person who performs any covered service for
8 compensation, the foreclosure consultant or the loan modification consultant; and (c) [m]ust
9 not be withdrawn by the person who performs any covered service for compensation,
10 foreclosure consultant or loan modification consultant until the completion of every covered
11 service as agreed upon in the contract for covered services.” See NRS 645F.394(1).

13 15. Pursuant to Section 73 of the Regulation, “a ‘separate trust account’ means a
14 trust account maintained with a federally insured depository institution located in this State
15 that is separate from accounts belonging to the independent licensee. The trust account:
16 [m]ust at all times have a reconciled balance on deposit equal to all money collected and
17 deposited and not yet legitimately disbursed... [and] [m]ust be reconciled monthly by the
18 independent licensee...”

20 16. Pursuant to NRS 645F.394, “[t]he person who performs any covered service for
21 compensation, the foreclosure consultant or the loan modification consultant shall keep
22 records of all money deposited in a trust account pursuant to subsection 1. The records must
23 clearly indicate the date and from whom he or she received money, the date deposited, the
24 dates of withdrawals, and other pertinent information concerning the transaction, and must
25 show clearly for whose account the money is deposited and to whom the money belongs.
26 The person who performs any covered service for compensation, the foreclosure consultant
27 or the loan modification consultant shall balance each separate trust account at least monthly
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1 and provide to the Commissioner, on a form provided by the Commissioner, an annual
2 accounting which shows an annual reconciliation of each separate trust account. All such
3 records and money are subject to inspection and audit by the Commissioner and authorized
4 representatives of the Commissioner.” See NRS 645F.394(2).

5 17. Pursuant to Section 103 of the Regulation, “[f]or each violation committed by a
6 person who engages in an activity for which licensure as a covered service provider,
7 foreclosure consultant or loan modification consultant is required under this chapter and
8 chapter 645F of NRS, without regard to whether the person is licensed under this chapter and
9 chapter 645F of NRS, the Commissioner may impose upon the person an administrative fine
10 of not more than \$10,000, and if the person holds a license as a covered service provider,
11 foreclosure consultant or loan modification consultant, the Commissioner may suspend,
12 revoke or place conditions upon the person’s license, or may do both, if the person... [d]oes
13 not conduct business in accordance with law or has violated any provision of this chapter or
14 chapter 645F of NRS or any order of the Commissioner;...[i]s in such financial condition that
15 the person cannot continue in business with safety to his customers;...[or] [h]as commingled
16 the money or other property of a client with his own or has converted the money or property of
17 others to his own use...” See Section 103(3)(a), (c), (d), and (n) of the Regulation.

18 18. Pursuant to Section 103 of the Regulation, “[a] person who engages in an
19 activity for which licensure as a covered service provider, foreclosure consultant or loan
20 modification consultant is required under this chapter and chapter 645F of NRS, without
21 regard to whether the person is licensed under this chapter and chapter 645F of NRS, may be
22 required by the Commissioner to pay restitution to any person who has suffered an economic
23 loss as a result of a violation of the provisions of this chapter or chapter 645F of NRS....” See
24 Section 103(2) of the Regulation.

25 19. Pursuant to Section 108 of the Regulation, “[i]f a person engages in an activity
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1 in violation of the provisions of this chapter or chapter 645F of NRS or an order of the
2 Commissioner, the Commissioner may issue an order directing the person to cease and
3 desist from engaging in the activity." See Section 108(1) of the Regulation.

4 VIOLATIONS OF LAW

5 Respondents American Loan and HC violated NRS 645F.394 and Section 103 of the
6 regulation in that Respondents:

7 1. Employed or otherwise associated with six (6) individuals, including JA, BW, DM,
8 SR, MB and VD, in the capacity of a covered service provider, foreclosure consultant, or loan
9 modification consultant without any of the above-referenced individuals having applied for
10 and/or been issued a license by the Division and without being exempt from licensing
11 pursuant to the provisions of Chapter 645F of NRS or the Regulation, in violation of Chapter
12 645F of NRS and Sec. 17, 38, 102, and 103(3)(c) of the Regulation;

14 2. Conducted covered service, foreclosure consultant or loan modification activities
15 involving residential real property located in the State of Nevada from the State of California,
16 at a location not licensed by the Division in violation of Chapter 645F of NRS and Sec. 17, 28,
17 102, and 103(3)(u) of the Regulation;

18 3. Failed to deposit client moneys in a trust account and/or removed money from a
19 trust account when not authorized to do so, in violation of NRS 645F.394(1) and (2) and
20 Sections 73 and 103(3)(n) of the Regulation;

22 4. Do not conduct business in accordance with law, in violation of Section
23 103(3)(c) of the Regulation;

24 5. Are in such financial condition that it cannot conduct business with safety to its
25 customers, in violation of Section 103(3)(d) of the Regulation;

26 6. Have commingled clients' money with its own or has converted such money to
27 its own use, in violation of NRS 645F.394(1) and (2) and Regulation 103(3)(n); and
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1 7. Have failed to pay its examination fee of \$5,247.00, in violation of Section
2 103(3)(k) of the Regulation.

3 **ORDER**

4 **NOW, THEREFORE, THE COMMISSIONER OF THE DIVISION HEREBY ORDERS**
5 that, based on Respondents' multiple violations of Chapter 645F of NRS and the Regulation,
6 and pursuant to Chapter 645F of NRS and Section 108(1) of the Regulation,
7 **RESPONDENTS, AND EACH OF THEM, IMMEDIATELY CEASE AND DESIST** from the
8 following activities:
9

10 1. Advertising for and/or soliciting covered services, foreclosure consultant and/or
11 loan modification consultant business in the State of Nevada, whether as an independent
12 licensee or as an associate licensee, without further written approval of the Division to
13 conduct such activities; and

14 2. Offering or providing any of the services of a covered service provider,
15 foreclosure consultant and/or loan modification consultant, or otherwise engaging in, carrying
16 on or holding themselves out as engaging in or carrying on the business of a covered service
17 provider, foreclosure consultant and/or loan modification consultant, whether as an
18 independent licensee or as an associate licensee, in the State of Nevada without further
19 written approval from the Division to conduct such activities.
20

21 **IT IS FURTHER ORDERED**, pursuant to Chapter 645F of NRS and Section 108(4) of
22 the Regulation, that upon filing a verified petition with the Division within **twenty (20) days** of
23 receipt of this Order to Cease and Desist, Respondents, and each of them, shall be entitled to
24 a hearing with regard to the contents of this Order to Cease and Desist. Each such
25 Respondent is advised, however, that the provisions of this Order to Cease and Desist are
26 effective immediately upon Respondent being served therewith, whether or not such
27 Respondent requests a hearing.
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1 **IT IS FURTHER ORDERED**, pursuant to Chapter 645F of NRS and Section 113(2) of
2 the Regulation that upon written application to the Division within **twenty (20) days** of the
3 date of this Order, Respondents, and each of them, shall be entitled to a hearing with regards
4 to the contents of this Order referenced hereafter. At that hearing the Division will seek:

5 1. The imposition of an administrative fine against Respondents, jointly and
6 severally, in the amount of Ten Thousand Dollars and No Cents (\$10,000.00), payable to the
7 Division on account of such Respondents violations of Chapter 645F of NRS and the
8 Regulation, the Division's examination fees in the amount of Five Thousand Two Hundred
9 Forty Seven Dollars and No Cents (\$5,247.00), including late charges, the Division's
10 investigatory and other costs in the amount of One Hundred Eighty Dollars and No Cents
11 (\$180.00), as well as the Division's attorney's fees, if any, incurred herein, all to be proven at
12 the hearing;

13
14 2. Payment, in full, to the Division of both the administrative fine in the amount of
15 Ten Thousand Dollars and No Cents (\$10,000.00), the Division's examination fees to date in
16 the amount of Five Thousand Two Hundred Forty Seven Dollars and No Cents (\$5,247.00),
17 including late charges, the Division's investigatory and other costs in the amount of One
18 Hundred Eighty Dollars and No Cents (\$180.00), as well as the Division's attorney's fees, if
19 any, by such Respondents, who shall be jointly and severally liable, within **thirty (30) days** of
20 entry of the Final Order; and
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22 3. Revocation of each Respondent's license.

23 **IT IS FURTHER ORDERED**, pursuant to Chapter 645F of NRS and Section 103(2) of
24 the Regulation, that Respondents immediately (a) cancel all contracts, if any, with
25 homeowners and refund to such homeowners all moneys collected by such Respondents
26 from such homeowners for which completed services have not been rendered, or (b) obtain
27 the written consent of the homeowners to transfer their files, moneys and contracts to a
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1 licensed, bonded independent licensee, HUD-approved counseling service or other entity
2 exempt from Chapter 645F of NRS.

3 **IT IS FURTHER ORDERED**, that Respondents shall:

4 1. Immediately notify in writing all homeowners involved in an open or pending
5 covered service transaction of this Order;

6 2. Submit to the Commissioner, within three (3) business days from the date of the
7 service of this Order, a list of all open or pending covered service transactions, along with proof
8 of mailing of the written notice required in section 1, above;

9 3. Retain, within five (5) business days after service of this Order and at their own
10 expense and choosing, a Nevada licensed or registered certified public accountant to reconcile
11 all books and records of the licensed entity's operating accounts and trust accounts maintained
12 for customer funds, including reconciliation to bank statements, and all transfers between
13 operation and trust accounts, from inception of Respondent American Loan to
14 November 30, 2010, and submit the reconciliation to the Commissioner within thirty (30) days
15 from the date of the service of this Order. Such reconciliation shall specifically include a
16 complete accounting of all moneys that, pursuant to NRS 645F.394 and Section 103 of the
17 Regulation, should have been held in trust for each homeowner for whom Respondent
18 American Loan has not fully completed covered services for which it contracted. Further,
19 such certified public accountant shall be unrelated to Respondents or their family members, and
20 Respondents shall provide the name, address, and telephone number of such certified public
21 accountant to the Division immediately upon his or her retention;

22 4. Upon submission to the Commissioner of the reconciliation provided for in
23 Number 3, above, Respondents shall deposit sufficient money into a trust account(s) to rectify
24 any shortfall that is discovered as a result of such reconciliation, and shall provide proof of such
25 deposit in writing to the Commissioner; and
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1 **IT IS FURTHER ORDERED** that if either Respondent fails to abide by any of the above
2 referenced conditions now imposed upon his or its license under NRS Chapter 645F and the
3 Regulation, such failure shall constitute grounds for summary suspension, revocation or other
4 discipline deemed appropriate in the discretion and within the statutory authority of the
5 Commissioner.

6 **NOTICE TO RESPONDENTS:** If you request a hearing on any of the above orders,
7 you are specifically informed that you have the right to appear and be heard in your defense,
8 either personally or through your counsel of choice at your own expense. At the hearing, if
9 one is timely requested, the Division will call witnesses and present evidence against you.
10 You have the right to respond and to present relevant evidence and argument on all issues
11 involved. You have the right to call and examine witnesses, introduce exhibits and cross-
12 examine opposing witnesses on any matter relevant to the issues involved.
13

14 All notices to the Division must be sent by U.S. Postal Service or private carrier or
15 delivery service to:

16 Commissioner
17 Division of Mortgage Lending
18 7220 Bermuda Road, Suite A
19 Las Vegas, NV 89119

20 Should Respondents, or any of them, not timely request a hearing within **twenty (20)**
21 **days** of the date of this Order, the Division will enter a Final Order in this matter against such
22 Respondents, and each of them, as required by Section 113(2) of the Regulation. The
23 Division's Final Order will revoke each Respondent's license and will require payment by such
24 Respondents, jointly and severally, of the administrative fine, examination fees, investigatory
25 and other costs, the Division's attorney's fees and restitution amounts within **thirty (30) days**
26 of the entry of the Final Order.

27 SIGNATURE ON NEXT PAGE
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Dated this 25th day of January, 2011.

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

By:



Joseph L. Waltuch, Commissioner

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