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**STATE OF NEVADA**

**DEPARTMENT OF BUSINESS AND INDUSTRY**

**DIVISION OF MORTGAGE LENDING**

In re:

Castle and Cooke Mortgage, LLC,

Respondent.

**Appeal No. 80948-NR**

**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 Castle and Cooke Mortgage, LLC (hereinafter, the "Respondent"), as follows:

**RECITALS**

WHEREAS, Respondent is a foreign limited liability company. Currently, Respondent's status with the Nevada Secretary of State is "active."

WHEREAS, Respondent was issued a mortgage broker license on November 14, 2008, pursuant to Chapter 645B of NRS. Currently, Respondent's status with the Division is "active."

1           WHEREAS, Based upon information and belief, at all relevant times herein mentioned,  
2 Respondent conducted mortgage lending activity out of its office located at 6900 Westcliff  
3 Drive, 8<sup>th</sup> Floor, Las Vegas, Nevada 89145.

4           WHEREAS, Phyllis Hilsabeck ("Hilsabeck") was initially registered with the Financial  
5 Institutions Division on July 16, 2001, and was subsequently licensed by the Division as a  
6 mortgage agent (License No. 16216) pursuant to Chapter 645B of NRS.

7           WHEREAS, On October 20, 2009, Hilsabeck's mortgage agent license was cancelled  
8 for failure to renew, pursuant to NRS 645B.430(2).

9           WHEREAS, Hilsabeck's status with the Division was "license cancelled" continuously  
10 from October 20, 2009 to December 18, 2009.

11           WHEREAS, At all relevant times herein mentioned, Hilsabeck was associated with, or  
12 employed by, Respondent as a mortgage agent and conducted mortgage lending activity  
13 relating to properties in Nevada on its behalf.

14           WHEREAS, Pursuant to NRS 645B.450, "[a] mortgage broker shall not associate with  
15 or employ a person as a mortgage agent or authorize a person to be associated with the  
16 mortgage broker as a mortgage agent if the mortgage agent is not licensed with the Division  
17 pursuant to NRS 645B.410...." See, NRS 645B.450(2).

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

21           WHEREAS, Pursuant to NRS 645B.060, the Division commenced a regularly  
22 scheduled examination of Respondent's books and records on April 21, 2010 which revealed,  
23 among other things, that during the period when Hilsabeck's mortgage agent license was  
24 cancelled (from October 20, 2009 to December 18, 2009), Hilsabeck originated at least three  
25 (3) mortgage loans while associated with, or employed by, Respondent. Hilsabeck's  
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1 unlicensed mortgage agent activity included completing and executing Uniform Residential  
2 Loan Applications ("1003s") on October 21, 2009, November 11, 2009, and November 13,  
3 2009 for borrowers JH, RP, and TB, respectively.

4 WHEREAS, Pursuant to NRS 645B.670, "[f]or each violation committed by a mortgage  
5 broker, the Commissioner may impose upon the mortgage broker an administrative fine of not  
6 more than \$25,000, may suspend, revoke or place conditions upon his license, or may do  
7 both, if the mortgage broker...(d)oes not conduct his business in accordance with law or has  
8 violated any provision of this chapter, a regulation adopted pursuant to this chapter or an  
9 order of the Commissioner..." See, NRS 645B.670(2)(c).

10  
11 NOW THEREFORE, in consideration of the representations, covenants, and  
12 conditions set forth herein, IT IS HEREBY STIPULATED AND AGREED by the Parties that  
13 the purported violations of NRS shall be settled on the following terms and conditions:

14 1. Respondent acknowledges that it had associated with or employed Hilsabeck as  
15 a mortgage agent or authorized Hilsabeck to be associated with or employed by Respondent  
16 as a mortgage agent despite the unlicensed status of Hilsabeck .

17 2. Respondent admits that Hilsabeck originated at least three (3) mortgage loans  
18 while associated with, or employed by, Respondent.

19 3. Respondent shall, pursuant to NRS 645B.670, pay an administrative penalty of  
20 Two Thousand Five Hundred and No Dollars (\$2,500.00), and pursuant to NRS 622.400, pay  
21 the Division's administrative and other costs in the amount of Three Hundred Sixty Dollars  
22 and No Cents (\$360.00). The Respondent shall make payment, in full, to the Division of the  
23 administrative penalty and the Division's costs upon its execution of this Agreement.  
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25 4. This Agreement is intended to resolve all issues related to the findings in the  
26 October, 2010 Notice of Intent to Impose Fine.

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28 5. The Respondent agrees that in the event it violates any of the provisions of this

1 Agreement, the Division shall retain any and all remedies available to it in accordance with  
2 NRS Chapter 645B.

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

6 7. The parties further acknowledge and agree that the Division shall keep the  
7 original of this Agreement.

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

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

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

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

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

21 13. The parties have the right to retain an attorney to review this Agreement at their  
22 sole cost and expense and have freely and voluntarily chosen to do so.

23 14. Other than the administrative penalty and the Division's costs set forth herein,  
24 each side shall pay its own costs and fees, including attorney's fees.

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

4 16. This Agreement constitutes the entire agreement of the parties, and it is  
5 intended as a complete and exclusive statement of the promises, representations,  
6 negotiations, and discussions of the parties. Unless otherwise expressly authorized by its  
7 terms, this Agreement shall be binding upon the parties unless an amendment to the same is  
8 in writing, signed by the respective parties hereto, and approved by the Office of the Attorney  
9 General.  
10

11 17. **NOTICE TO RESPONDENT:** By executing this Agreement, you hereby agree that  
12 you are waiving certain rights as set forth herein. As Respondent, you are specifically  
13 informed that you have the right to request that the Division file an administrative complaint  
14 against you, and at any hearing on such a complaint, you would have the right to appear and  
15 be heard in your defense, either personally or through your counsel of choice. If the Division  
16 were to file a complaint, at the hearing, the Division would have the burden of proving the  
17 allegations in the complaint and would call witnesses and present evidence against you. You  
18 would have the right to respond and to present relevant evidence and argument on all issues  
19 involved. You would have the right to call and examine witnesses, introduce exhibits, and  
20 cross-examine opposing witnesses on any matter relevant to the issues involved.  
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22 You would have the right to request that the Commissioner of the Division issue  
23 subpoenas to compel witnesses to testify and/or offer evidence on your behalf. In making this  
24 request, you may be required to demonstrate the relevance of the witness's testimony and/or  
25 evidence. Other important rights you have are listed in NRS Chapter 645B and NRS  
26 Chapter 233B.  
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1 18. Respondent understands and agrees that this Agreement may be used to show  
2 that past violations have occurred should any future disciplinary action be taken by the  
3 Division.

4 19. In consideration of the execution of this Agreement, Respondent, for itself, its heirs,  
5 executors, administrators, successors, and assigns, hereby releases, remises, and forever  
6 discharges the State of Nevada, the Department of Business and Industry of the State of  
7 Nevada, the Division, and each of their members, agents, attorneys (including any and all  
8 employees of the Nevada Attorney General), and employees in their individual and  
9 representative capacities, from any and all manner of actions, causes of action, suits, debts,  
10 judgments, executions, claims, and demands whatsoever, known and unknown, in law or  
11 equity, that Respondent ever had, now has, may have, or claim to have against any or all of  
12 the persons or entities named in this section, arising out of or by reason of the Division's  
13 examination of the Respondents, and all other matters relating thereto.  
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15 20. Respondent hereby indemnifies and holds harmless the State of Nevada, the  
16 Department of Business and Industry of the State of Nevada, the Division, and each of their  
17 members, agents, and employees, and employees of the Nevada Attorney General in their  
18 individual and representative capacities against any and all claims, suits, and actions brought  
19 against said persons and/or entities by reason of the Division's examination of Respondent,  
20 this Agreement, and all other matters relating thereto, and against any and all expenses,  
21 damages, and costs, including court costs and attorney fees, which may be sustained by the  
22 persons and/or entities named in this section as a result of said claims, suits, and actions.  
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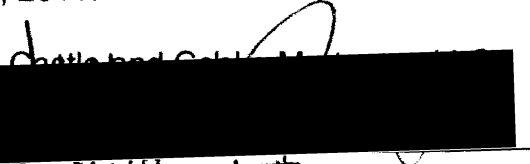
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1 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed  
2 and intend to be legally bound thereby. This Agreement shall constitute a Final Order of the  
3 Commissioner.  
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5 Dated this 24 day of February, 2011.

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8 By: MATTHEW A. PINEDA  
9 Its: President

10 Dated this 3rd we  
11 4th day of March, 2011.

12 State of Nevada  
13 Department of Business and Industry  
14 Division of Mortgage Lending

15 By:   
16 Nancy Corbin, Acting Commissioner  
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