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STATE OF NEVADA

DEPARTMENT OF BUSINESS AND INDUSTRY

DIVISION OF MORTGAGE LENDING

In re:

Phyllis Hilsabeck,

Respondent.

Appeal No. 80533-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 Phyllis Hilsabeck (hereinafter, the "Respondent"), as follows:

RECITALS

WHEREAS, Castle and Cooke Mortgage, LLC ("Castle and Cooke") is a foreign limited liability company. Currently, Castle and Cooke's status with the Nevada Secretary of State is "active."

WHEREAS, Castle and Cooke was issued a mortgage broker license on

1 November 14, 2008, pursuant to Chapter 645B of NRS. Currently, Castle and Cooke's status
2 with the Division is "active."

3 WHEREAS, Castle and Cooke conducted mortgage lending activity out of its office
4 located at 6900 Westcliff Drive, 8th Floor, Las Vegas, Nevada 89145.

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

8 WHEREAS, On October 20, 2009, Respondent's mortgage agent license was
9 cancelled for failure to renew, pursuant to NRS 645B.430(2).
10

11 WHEREAS, Respondent's status with the Division was "license cancelled"
12 continuously from October 20, 2009 to December 18, 2009.

13 WHEREAS, Respondent was associated with, or employed by, Castle and Cooke as a
14 mortgage agent and conducted mortgage lending activity relating to properties in Nevada on
15 its behalf.

16 WHEREAS, pursuant to NRS 645B.400, "[a] person shall not act as or provide any of
17 the services of a mortgage agent or otherwise engage in, carry on or hold himself or herself
18 out engaging in carrying on the activities of a mortgage agent unless the person has a license
19 as a mortgage agent issued pursuant to NRS 645B.410."
20

21 WHEREAS, pursuant to NRS 645B.900, "[i]t is unlawful for any person to offer or
22 provide any of the services of a mortgage broker or mortgage agent or otherwise to engage
23 in, carry on or hold himself or herself out as engaging in or carrying on the business of a
24 mortgage broker or mortgage agent without first obtaining the applicable license issued
25 pursuant to this chapter, unless the person 1. [i]s exempt from the provisions of this chapter;
26 and 2. [c]omplies with the requirements for that exemption."
27

28 WHEREAS, pursuant to NRS 645B.060, with limited exception, the Division is charged

1 with conducting "...an annual examination of each mortgage broker doing business in this
2 State...." See, NRS 645B.060(2)(d).

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

12 WHEREAS, pursuant to NRS 645B.670, "[f]or each violation committed by a mortgage
13 broker, the Commissioner may impose upon the mortgage broker an administrative fine of not
14 more than \$25,000, may suspend, revoke or place conditions upon his license, or may do
15 both, if the mortgage broker...(d)oes not conduct his business in accordance with law or has
16 violated any provision of this chapter, a regulation adopted pursuant to this chapter or an
17 order of the Commissioner..." See, NRS 645B.670(2)(c).
18

19 WHEREAS, after settlement negotiations, the Division and the Respondent wish to
20 resolve this matter without the necessity of a formal hearing.

21 NOW, THEREFORE, in consideration of the representations, covenants and
22 conditions set forth herein, IT IS HEREBY STIPULATED AND AGREED to by the Division
23 and Respondent that:

24 1. The Respondent admits that she had originated at least three (3) mortgage
25 loans while unlicensed.
26

27 2. The Respondent shall, pursuant to NRS 645B.670 and/or NRS 622.400,
28 voluntarily surrender her mortgage agent's license to the Division upon her execution of this

1 Agreement and pay an administrative penalty of Three Thousand Seven Hundred Fifty Dollars
2 and No Cents (\$3,750.00), and pursuant to NRS 622.400, pay the Division's administrative
3 and other costs in the amount of Three Hundred Dollars and No Cents (\$300.00). The
4 Respondent shall make payment, in full, to the Division of the administrative penalty and the
5 Division's costs upon her execution of this Agreement.

6 3. This Agreement is intended to resolve all issues related to the findings in the
7 October 11, 2010 Notice of Intent to Impose Fine.

8
9 4. In the event of the default of this agreement Respondent agrees that her license
10 shall be immediately revoked, the unpaid balance of the administrative fine and costs shall
11 become immediately due together with any attorney's fees and cost which may be incurred by
12 the Division due to the default.

13 5. The Respondent agrees that in the event she violates any of the provisions of
14 this Agreement, the Division shall retain any and all remedies available to it in accordance
15 with NRS Chapter 645B.

16
17 6. The parties represent and warrant that the persons executing this Agreement on
18 behalf of each party have full power and authority to do so, and have the legal capacity to
19 conduct the legal obligations assigned to it hereunder.

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

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

25
26 9. This Agreement, as well as the rights and obligations of the parties hereto, shall
27 be interpreted, governed, and construed pursuant to the laws of the State of Nevada.

28 10. Any action to enforce this Agreement shall be brought in the Eighth Judicial

1 District Court of the State of Nevada in and for Clark County.

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

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

8 13. The parties have the right to retain an attorney to review this Agreement at their
9 sole cost and expense and have freely and voluntarily chosen not to do so.

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

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

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

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

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

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

16 19. In consideration of the execution of this Agreement, Respondent, for herself, her
17 heirs, executors, administrators, successors, and assigns, hereby releases, remises, and
18 forever discharges the State of Nevada, the Department of Business and Industry of the State
19 of Nevada, the Division, and each of their members, agents, attorneys (including any and all
20 employees of the Nevada Attorney General), and employees in their individual and
21 representative capacities, from any and all manner of actions, causes of action, suits, debts,
22 judgments, executions, claims, and demands whatsoever, known and unknown, in law or
23 equity, that Respondent ever had, now has, may have, or claim to have against any or all of
24 the persons or entities named in this section, arising out of or by reason of the Division's
25 examination of the Respondents, and all other matters relating thereto.
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1 20. Respondent hereby indemnifies and holds harmless the State of Nevada, the
2 Department of Business and Industry of the State of Nevada, the Division, and each of their
3 members, agents, and employees, and employees of the Nevada Attorney General in their
4 individual and representative capacities against any and all claims, suits, and actions brought
5 against said persons and/or entities by reason of the Division's examination of Respondent,
6 this Agreement, and all other matters relating thereto, and against any and all expenses,
7 damages, and costs, including court costs and attorney fees, which may be sustained by the
8 persons and/or entities named in this section as a result of said claims, suits, and actions.

9
10 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed
11 and intend to be legally bound thereby. This Agreement shall constitute a Final Order of the
12 Commissioner.

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14 Dated this 12 day of April, 2011.

15 Phyllis Hilsabeck
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20 Dated this 14th day of March, 2011.

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

25 By: 
26 Nancy Corbin, Acting Commissioner
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