STATE OF NEVADA

DEPARTMENT OF BUSINESS AND INDUSTRY

DIVISION OF MORTGAGE LENDING

In re:

BM Real Estate Services, Inc.
dba Priority Financial Network,

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 ("NRS"), respectively, and the regulations promulgated thereunder. 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 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 ("Agreement") with BM Real Estate Services, Inc. dba Priority Financial Network (the "Respondent"), as follows:

RECITALS

WHEREAS, BM Real Estate Services, Inc. dba Priority Financial Network (hereinafter "Respondent") was and is a foreign California corporation since on or about December 18, 2006. Currently, Respondent's status with the Nevada Secretary of State is "active."

WHEREAS, pursuant to NRS 645E, Respondent was issued a mortgage banker

license (License No. 2619) on March 30, 2007. Currently, Respondent's status with the Division is "active."

WHEREAS, Respondent was licensed to conduct mortgage banker activity out of an office located at 3243 E. Warm Springs, #115, Las Vegas, Nevada 89120 (hereinafter "Warm Springs Office").

WHEREAS, pursuant to 645E.300 "[i]n addition to the other duties imposed upon him or her by law, the Commissioner shall...conduct an annual examination of each mortgage banker doing business in this State..." *See* NRS 645E.300(2)(d).

WHEREAS, the Division commenced an examination of Respondent on April 23, 2010 which revealed, among other things, that Respondent conducted mortgage banker activity from an unlicensed office located at 5016 N. Parkway, #200 Calabasas, CA 91302, as evidenced by the origination of at least one loan for borrower GG.

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

WHEREAS, pursuant to NRS 645E.200, "[i]f a mortgage banker will conduct business in this State at one or more branch offices, the mortgage banker must apply for a license for each such branch office." *See* NRS 645E.200(2).

WHEREAS, after settlement negotiations, the Division and the Respondent desire to resolve this matter without the necessity of the filing of a complaint for a formal hearing.

NOW, THEREFORE, in consideration of the representations, covenants and conditions set forth herein, IT IS HEREBY STIPULATED AND AGREED to by the Division and the Respondent that the purported violations found during the examination of Respondent's books and records and referenced herein, shall be settled on the following terms and conditions:

1. The Respondent acknowledges it conducted mortgage loan activity out of Respondent's Calabasas Office and the office was not licensed by the Division, in violation of NRS 645E.900.

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

3. The Respondent shall, pursuant to NRS 645E.670 and/or NRS 622.400, pay an administrative fine to the Division in the amount of Two Thousand Five Hundred Dollars and No Cents ($2,500.00). The Respondent shall make payment, in full, to the Division of the administrative fine upon its execution of this Agreement.

4. This Agreement is intended to resolve all issues related to the findings in the April 23, 2010 report of examination.

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

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

7. The parties further acknowledge and agree that the Division shall keep the

original of this Agreement.

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

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

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

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

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

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

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

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

16. This Agreement constitutes the entire agreement of the parties, and it is intended as a complete and exclusive statement of the promises, representations, negotiations, and discussions of the parties. Unless otherwise expressly authorized by its

terms, this Agreement shall be binding upon the parties unless an amendment to the same is in writing, signed by the respective parties hereto, and approved by the Office of the Attorney General.

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

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

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

19. In consideration of the execution of this Agreement, Respondents, for itself, its heirs, executors, administrators, successors, and assigns, hereby releases, remises, and forever discharges the State of Nevada, the Department of Business and Industry of the State of Nevada, the Division, and each of their members, agents, attorneys (including any and all

employees of the Nevada Attorney General), and employees in their individual and representative capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have, or claim to have against any or all of the persons or entities named in this section, arising out of or by reason of the Division's examination of the Respondent, and all other matters relating thereto.

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

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

Dated this 4 day of April, 2011.

BM Real Estate Services, Inc. dba Priority Financial Network
By: _____
Title: Bryan T Campbell - SVP

Dated this 20th day of April, 2011.

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

By: _____
Nancy Corbin, Acting Commissioner

CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on, April 21, 2011, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, STIPULATED SETTLEMENT AGREEMENT, for BM REAL ESTATE SERVICES, INC. DBA PRIORITY FINANCIAL NETWORK, addressed as follows:

Marc Shenkman
Priority Financial Network
5016 N. Parkway Calabasas #200
Calabasas, CA 91302

Certified Receipt Number: 7009 2250 0001 8861 0777

DATED this 20th day of April, 2011

By: Susan Slack
Employee of the Division