STATE OF NEVADA

DEPARTMENT OF BUSINESS AND INDUSTRY

DIVISION OF MORTGAGE LENDING

In re:

AAA Home Rescuers, LLC dba Citizens Home Advocacy Group and Mandy Peacock

Respondents.

FINAL ORDER

The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Division"), having issued AAA Home Rescuers, LLC dba Citizens Home Advocacy Group and Mandy Peacock ("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 February 02, 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 February 03, 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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IT IS HEREBY ORDERED that, pursuant to NRS 622.080, NRS Chapter 645F and the regulation, Respondents shall immediately **CEASE AND DESIST** soliciting for and conducting any and all covered service provider, foreclosure consultant and/or loan modification activity in the State of Nevada. In addition, Respondents will be subject to the licensure conditions and administrative fines, fees and/or costs as set forth in the original Order attached hereto as Exhibit "1".

IT IS FURTHER ORDERED that Respondent Citizens' independent licensee covered service provider license is **REVOKED**.

IT IS FURTHER ORDERED that Respondent MP's associated licensee license is **REVOKED.**

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

Dated this 23rd day of February, 2011.

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

EXHIBIT “1”

STATE OF NEVADA

DEPARTMENT OF BUSINESS AND INDUSTRY

DIVISION OF MORTGAGE LENDING

In re:

AAA Home Rescuers, LLC dba Citizens Home Advocacy Group and Mandy Peacock,

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 is also governed by the 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, AAA Home Rescuers, LLC dba Citizens Home Advocacy Group ("Citizens") was and is a Nevada limited liability company with an office located at 5888 West Sunset Road, Suite 101, Las Vegas, Nevada 89118. Currently, Citizens status with the Nevada Secretary of State is "active."

2. On approximately January 5, 2010, the Division issued Citizens an independent licensee covered service provider license (License No. 3284). The Division currently classifies Citizens license as "active."

3. Based upon information and belief, and at all relevant times herein mentioned, Mandy Peacock ("MP"), an individual, was an owner, officer, employee and manager of Citizens.

4. On approximately January 5, 2010, the Division issued MP an associated licensee license (License No. 46630) as an employee of Citizens. The Division currently classifies MP's license as "active licensed."

5. Citizens and MP are hereinafter referred to individually as Respondent or collectively as Respondents, as the context requires.

6. Pursuant to Section 63(1) of the Regulation, "[i]n addition to the other duties imposed upon the Commissioner by law for the general supervision of licensees, the Commissioner will...[c]onduct an examination of each independent licensee doing business in this State within 3 months after the independent licensee commences business in this State and at least annually thereafter..."

7. Pursuant to Section 63(2) of the Regulation, "[f]or each...examination, a licensee shall pay a fee based on the rate established pursuant to NRS 645F.280 and section 64 of this regulation."

8. Pursuant to Section 63(1) of the Regulation, the Division commenced a regularly scheduled annual examination of Citizens on May 11, 2010 which revealed, among other things, that Citizens:

a. Failed to always place moneys collected from homeowners for the provision of covered services into a separate trust account at a federally insured depository institution located in this state and designated as "trust funds," "escrow accounts," or some other

appropriate name indicating the funds did not belong to Citizens, and commingled homeowners' money with its own;

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

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

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

10. Pursuant to Section 73 of the Regulation, "a 'separate trust account' means a trust account maintained with a federally insured depository institution located in this State that is separate from accounts belonging to the independent licensee. The trust account: [m]ust at all times have a reconciled balance on deposit equal to all money collected and

deposited and not yet legitimately disbursed... [and] [m]ust be reconciled monthly by the independent licensee..."

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

12. Pursuant to Section 69 of the Regulation, "[t]he licensee may not change the location of its principal office or a branch office until the Commissioner has approved the transfer." See Section 69(2) of the Regulation.

13. Pursuant to Section 70 of the Regulation, "1. A licensee may not close his principal office or a branch office until:

(a) The licensee has returned the license; and

(b) The Commissioner has approved the closure."

14. Pursuant to Section 72 of the Regulation, "[e]ach licensee shall keep and maintain, at all times at each location where the licensee conducts business, complete and suitable records of all transactions by the licensee at that location."

15. Pursuant to the Gramm-Leach-Bliley Act, 15 USC § 6801, et seq., "each financial institution has an affirmative and continuing obligation to respect the privacy of its customers and to protect the security and confidentiality of those customers' nonpublic personal information" and "shall establish appropriate standards... relating to administrative, technical, and physical safeguards[:] 1. [T]o insure the security and confidentiality of customer records and information; 2. [T]o protect against any anticipated threats or hazards to the security or integrity of such records; and 3. [T]o protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer."

16. Since the date of the May 11, 2010 examination, Citizens has changed the location of it principal office or closed and abandoned its principal office without surrendering its license or receiving approval from the Commissioner.

17. At or after the time Citizens changed the location of its principal office or closed and abandoned its principal office, it left behind, unsecured, privileged and confidential customer information.

18. Pursuant to Section 103 of the Regulation, "[f]or each violation committed by a person who engages in an activity for which licensure as a covered service provider, foreclosure consultant or loan modification consultant is required under this chapter and chapter 645F of NRS, without regard to whether the person is licensed under this chapter and chapter 645F of NRS, the Commissioner may impose upon the person an administrative fine of not more than $10,000, and if the person holds a license as a covered service provider, foreclosure consultant or loan modification consultant, the Commissioner may suspend, revoke or place conditions upon the person's license, or may do both, if the person... [d]oes not conduct business in accordance with law or has violated any provision of this chapter or chapter 645F of NRS or any order of the Commissioner...[i]s in such financial condition that

the person cannot continue in business with safety to his customers;...[or] [h]as commingled the money or other property of a client with his own or has converted the money or property of others to his own use..." *See* Section 103(3)(a), (c), (d), and (n) of the Regulation.

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

VIOLATIONS OF LAW

Respondents have violated NRS 645F.394 and Section 103 of the Regulation in that they:

1. Failed to always place moneys collected from homeowners for the provision of covered services into a separate trust account, in violation of NRS 645F.394(1) and (2) and Sections 73 and 103(3)(n) of the Regulation;

2. Failed to keep and maintain complete and suitable records of all covered services transactions it conducted, in violation of NRS 645F.394(2);

3. Failed to reconcile its bank accounts and/or failed to have monthly reconciled balances on deposits equal to all moneys collected and deposited and not yet legitimately disbursed, in violation of Section 73 of the Regulation;

4. Changed the location of it principal office and/or closed and abandoned its principal office without surrendering its license or receiving approval from the Commissioner, in violation of Sections 69 and 70 of the Regulation, respectively;

5. Failed to maintain proper records and failed to exercise reasonable care by not implementing safeguards to protect the sensitive customer information found unprotected in its closed or abandoned principal location, in violation of Sections 73 and 103(3)(f) of the Regulation and in violation of the Gramm-Leach-Bliley Act, 15 USC§ 6801, et seq.; and

6. Failed to pay its examination fee in violation of Section 103(3)(k) of the Regulation.

ORDER

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

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

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

IT IS FURTHER ORDERED, pursuant to Chapter 645F of NRS and Section 108(4) of the Regulation, that upon filing a verified petition with the Division within **twenty (20) days** of receipt of this Order to Cease and Desist, Respondents, and each of them, shall be entitled to a hearing with regard to the contents of this Order to Cease and Desist. Each such Respondent is advised, however, that the provisions of this Order to Cease and Desist are

effective immediately upon such Respondent being served therewith, whether or not such Respondent requests a hearing.

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

IT IS FURTHER ORDERED, that Respondents shall:

1. Immediately notify in writing all homeowners involved in an open or pending covered service transaction of this Order and of Respondents' new physical address and telephone number;

2. Submit to the Commissioner, within three (3) business days from the date of the service of this Order, a list of all open or pending covered service transactions, along with proof of mailing of the written notice required in section 1, above, and the filing with the Division of an appropriate change of address and/or closure of principal location form(s), if not already filed;

3. Retain, within five (5) business days after service of this Order and at their own expense and choosing, a Nevada licensed or registered certified public accountant to reconcile all books and records of the licensed entity's operating accounts and trust accounts maintained for customer funds, including reconciliation to bank statements, and all transfers between operation and trust accounts, from inception of Respondent Citizens to the date of this Order, and submit the reconciliation to the Commissioner within thirty (30) days from the date of the service of this Order. Such reconciliation shall specifically include a complete accounting of all moneys that, pursuant to NRS 645F.394 and Section 103 of the Regulation, should have

been held in trust for each homeowner for whom Respondent Citizens has not fully completed covered services for which it contracted. Further, such certified public accountant shall be unrelated to Respondents or their family members, and Respondents shall provide the name, address, and telephone number of such certified public accountant to the Division immediately upon his or her retention;

4. Upon submission to the Commissioner of the reconciliation provided for in Number 3, above, Respondents shall deposit sufficient money into a trust account(s) to rectify any shortfall that is discovered as a result of such reconciliation, and shall provide proof of such deposit in writing to the Commissioner.

IT IS FURTHER ORDERED that if any Respondent fails to abide by any of the above referenced conditions now imposed upon his, her or its license under NRS Chapter 645F and the Regulation, such failure shall constitute grounds for summary suspension, revocation or other discipline deemed appropriate in the discretion and within the statutory authority of the Commissioner.

IT IS FURTHER ORDERED, pursuant to Chapter 645F of NRS and Section 113(2) of the Regulation that upon written application to the Division within **twenty (20) days** of the date of this Order, Respondents, and each of them, shall be entitled to a hearing with regards to the contents of this Order referenced hereafter. At that hearing the Division will seek:

1. The imposition of an administrative fine against Respondents, jointly and severally, in the amount of Fifty Thousand Dollars and No Cents ($50,000.00), payable to the Division on account of such Respondents violations of Chapter 645F of NRS and the Regulation, the payment of the Division's examination fee, including late charges and collection charges, of Five Thousand Six Hundred Twenty Dollars and Sixty Three Cents ($5,620.63), the payment of the Division's investigatory and other costs in the amount of One

Thousand Eighty Dollars and No Cents ($1,080.00), as well as the Division's attorney's fees, if any, incurred herein, all to be proven at the hearing;

2. Payment, in full, to the Division of both the administrative fine in the amount of Fifty Thousand Dollars and No Cents ($50,000.00), the Division's examination fees, including late charges and collection charges, in the amount of Five Thousand Six Hundred Twenty Dollars and Sixty Three Cents ($5,620.63), the Division's investigatory and other costs in the amount of One Thousand Eighty Dollars and No Cents ($1,080.00), as well as the Division's attorney's fees, if any, by such Respondents, who shall be jointly and severally liable, within **thirty (30) days** of entry of the Final Order; and

3. Revocation of each Respondent's license.

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

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

Commissioner
Division of Mortgage Lending
7220 Bermuda Road, Suite A
Las Vegas, NV 89119

Should Respondents, or any of them, not timely request a hearing within **twenty (20) days** of the date of this Order; the Division will enter a Final Order in this matter against such Respondents, and each of them, as required by Section 113(2) of the Regulation. The Division's Final Order will revoke each such Respondent's license and will require payment by

such Respondents, jointly and severally, of the administrative fine, examination fees, investigatory and other costs and the Division's attorney's fees within **thirty (30) days** of the entry of the Final Order.

Dated this 2nd day of February, 2010.

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

By: Joseph L Waltuch
Joseph L. Waltuch, 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, February 3, 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, ORDER TO CEASE AND DESIST, ORDER IMPOSING LICENSURE CONDITIONS, NOTICE OF INTENT TO REVOKE INDEPENDENT LICENSEE LICENSE, 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 for AAA HOME RESCUERS, LLC DBA CITIZENS HOME ADVOCACY GROUP AND MANDY PEACOCK, addressed as follows:

Mandy Peacock
Citizens Home Advocacy Group
7077 E. Marilyn Road, Bldg. 100
Scottsdale, AZ 85254

Certified Receipt Number: 7009 2250 0001 8861 0234

James R. Stout, Esquire
Stout Law Firm
9555 Hollywood Drive, Suite 150
Las Vegas, NV 89134

Certified Receipt Number: 7009 2250 0001 8861 0203

DATED this 2nd day of February 2011

By: Susan Slack
Employee of the Division

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, February 24, 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, FINAL ORDER for AAA HOME RESCUERS, LLC DBA CITIZENS HOME ADVOCACY GROUP AND MANDY PEACOCK, addressed as follows:

James R. Stout, Esquire
Stout Law Firm
9555 Hollywood Drive, Suite 150
Las Vegas, NV 89134

Certified Receipt Number: 7009 2250 0001 8861 0319

DATED this 23rd day of February, 2011

By: Susan Slack
Employee of the Division