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

Before the Commissioner of the Division of Mortgage Lending

In the Matter of: STEPHEN CHOATE a/k/a FOCUS 2000 FINANCIAL CORPORATION (a revoked Nevada domestic corporation), GENESIS WEALTH FOUNDATION (an unincorporated entity), PARADISE AMERICA (a defaulted domestic non-profit corporation) and PARADISE AMERICA & ASSOCIATES (an unincorporated entity), and BARBARA PURNELL a/k/a FOCUS 2000 FINANCIAL CORPORATION (a revoked Nevada domestic corporation), GENESIS WEALTH FOUNDATION (an unincorporated entity) and PARADISE AMERICA (a defaulted domestic non-profit corporation) and PARADISE AMERICA & ASSOCIATES unincorporated entity), Respondents.	Order No. 2014-104 Case No. 2014-104

ORDER TO CEASE AND DESIST,
ORDER TO MAKE RESTITUTION,
ORDER IMPOSING AN ADMINISTRATIVE FINE AND INVESTIGATIVE COSTS,
AND
NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING

Issued and Entered,
This 12th day of February, 2015,
By James Westrin,
Commissioner

I.
ORDER TO CEASE AND DESIST VIOLATING NRS 645F.010 *et seq.*,
ORDER TO MAKE RESTITUTION,
ORDER IMPOSING AN ADMINISTRATIVE FINE AND INVESTIGATIVE COSTS

The Commissioner of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Commissioner") having been statutorily charged with the responsibility and authority to administer and enforce Chapter 645F of the Nevada Revised Statutes, NRS 645F.010 *et seq.*, and Chapter 645F of the Nevada Administrative Code, NAC 645F.005 *et seq.*, governing the licensing and conduct of covered service providers in the State of Nevada; and,

The Commissioner having been vested with general supervisory power and control over all covered service providers doing business in the State of Nevada pursuant to NRS 645F or NAC 645F; and,

The Commissioner having been further vested with broad authority to conduct investigations to determine whether any person has violated any provisions of NRS 645F or NAC 645F; and,

The Division of Mortgage Lending (the "Division") having receiving information that STEPHEN CHOATE ("CHOATE"), President of FOCUS 2000 FINANCIAL CORPORATION, a revoked Nevada domestic corporation, was advertising loss mitigation services under the name of GENESIS WEALTH FOUNDATION ("GENESIS WEALTH"), an unincorporated entity, and having received three (3) independent complaints against CHOATE and GENESIS WEALTH, and in connection therewith, accompanying documents reflecting the identities of PARADISE AMERICA (a defaulted non-profit corporation) and/or PARADISE AMERICA & ASSOCIATES (an unincorporated entity); and BARBARA PURNELL ("PURNELL"), Registered Agent and Secretary of FOCUS 2000 (collectively "RESPONDENTS") alleging that RESPONDENTS were engaged in unlawful business practices related to the alleged refinancing and/or loan modification of each of Complainant's mortgage loans, such activities or practices that may be in violation of NRS 645F or NAC 645F; and,

The Division having commenced an investigation pursuant to NAC 645F.440 and during such investigation determined that RESPONDENTS were engaged in activity requiring licensure as a covered service provider pursuant to provisions of NRS 645F.010 *et seq.* and NAC 645F.005 *et seq.* without being so licensed; and,

The Division staff having reported the results of its investigation to the Commissioner; and,

The Commissioner, having reviewed the results of the investigation, made the following FINDINGS OF FACT and CONCLUSIONS OF LAW from such investigation:

Findings of Fact

1. NAC 645F 200 provides as follows:

> A person shall not advertise services as, provide any of the services of, act as or conduct business as a covered service provider, foreclosure consultant or loan modification consultant or otherwise engage in, carry on or hold himself out as engaging in or carrying on the activities of a covered service provider, foreclosure consultant or loan modification consultant unless the person has a license as a covered service provider, foreclosure consultant or loan modification consultant, as applicable, issued pursuant to this chapter and chapter 645F of NRS.

2. NAC 645.800 states the following:

> It is unlawful for any person to provide or offer to provide any of the services of a covered service provider, foreclosure consultant or loan modification consultant or otherwise to engage in, carry on or hold himself or herself out as engaging in or carrying on the business of a covered service provider, foreclosure consultant or loan modification consultant without first obtaining the applicable license issued pursuant to this chapter and chapter 645F of NRS, unless the person:
>
> 1. Is exempt from the provisions of this chapter and chapter 645F of NRS; and
>
> 2. Complies with the requirements for that exemption.

3. Pursuant to NRS 645F.310, "Covered Service" is defined to include, without limitation, all of the following:

> 1. *Financial counseling, including, without limitation, debt counseling and budget counseling.*
>
> 2. Receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a mortgage or other lien on a residence in foreclosure.

3. *Contacting a creditor on behalf of a homeowner.*

4. Arranging or attempting to arrange for an extension of the period within which a homeowner may cure a default and reinstate an obligation pursuant to a note, mortgage or deed of trust.

5. Arranging or attempting to arrange for any delay or postponement of the time of a foreclosure sale of a residence in foreclosure.

6. Advising a homeowner regarding the filing of any document or assisting in any manner in the preparation of any document for filing with a bankruptcy court.

7. Giving any advice, explanation or instruction to a homeowner which in any manner relates to the cure of a default in or the reinstatement of an obligation secured by a mortgage or other lien on a residence, the full satisfaction of the obligation, or the postponement or avoidance of a foreclosure sale.

8. *Arranging or conducting, or attempting to arrange or conduct, for a homeowner any forensic loan audit or review or other audit or review of loan documents.*

9. Arranging or attempting to arrange for a homeowner the purchase by a third party of the homeowner's mortgage loan.

10. *Arranging or attempting to arrange for a homeowner a reduction of the principal of the homeowner's mortgage loan when such a mortgage loan is held by or serviced by a third party.*

11. *Providing the services of a loan modification consultant.*

12. Providing the services of a foreclosure consultant.

[Emphasis added.]

4. NRS 645F.320 defines a "Foreclosure consultant" as follows:

"Foreclosure consultant" means a person who, directly or indirectly, makes any solicitation, representation or offer to a homeowner to perform

for compensation, or who, for compensation, performs any covered service that the person represents will do any of the following:

1. Prevent or postpone a foreclosure sale;
2. Obtain any forbearance from any mortgagee or beneficiary of a deed of trust;
3. Assist the homeowner to exercise the right of reinstatement provided in the legal documents;
4. Obtain any extension of the period within which the homeowner may reinstate the homeowner's obligation;
5. Obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a residence in foreclosure or included in the mortgage or deed of trust;
6. Assist the homeowner in foreclosure or loan default to obtain a loan or advance of money;
7. Avoid or ameliorate the impairment of the homeowner's credit resulting from the recording of a notice of default or the conduct of a foreclosure sale;
8. Save the homeowner's residence from foreclosure; or
9. Assist the homeowner to obtain a foreclosure reconveyance.

5. NRS 645F.365 defines a "Loan modification consultant" as follows:

"Loan modification consultant" means a person who, directly or indirectly, makes any solicitation, representation or offer to a homeowner to perform for compensation, or who, for compensation, performs any act that the person represents will adjust the terms of a mortgage loan in a manner not provided for in the original or previously modified mortgage loan. Such an adjustment includes, without limitation:

1. A change in the payment amount;
2. A change in the loan amount;
3. A loan forbearance;
4. A change in the loan maturity; and
5. A change in the interest rate.

6. The Division commenced an investigation into RESPONDENTS' business practices after receiving information that CHOATE was advertising loss mitigation services under the name of GENESIS WEALTH, and that from November 2010 through at least June 2012, CHOATE and PURNELL, by and through the entities identified as GENESIS WEALTH, FOCUS 2000, and PARADISE AMERICA and/or PARADISE AMERICA & ASSOCIATES, was engaged in business activities requiring licensure as an independent or associated covered service provider(s) under NRS and NAC Chapters 645F, without first obtaining the mandated licensure. The investigation specifically revealed the following:

a. CHOATE, PURNELL, GENESIS WEALTH, FOCUS 2000, and PARADISE AMERICA and/or PARADISE AMERICA & ASSOCIATES are not currently and have never been licensed by the Commissioner as independent or associated covered service providers, pursuant to provisions of NRS 645F or NAC 645F.

b. On or about September 28, 2009, FOCUS 2000 filed an application for licensure as a covered service provider under NRS and NAC Chapters 645 but withdrew or abandoned such application on or about November 3, 2009.

c. On February 1, 2010, the Nye County District Court issued a final order approving an *Assurance of Discontinuance* between the State of Nevada, by and through the Attorney General, and CHOATE on behalf of FOCUS 2000, the terms of which included FOCUS 2000's agreement to refrain from engaging in any loan modification or activities of a covered service provider until licensed as a loan modification or foreclosure consultant in accordance with the provisions of NRS Chapter 645.

d. On or about April 27, 2010, FOCUS 2000's 1997 licensure as a domestic corporation by the Nevada Secretary of State, was revoked.

e. On or about September 9, 2011, CHOATE filed a reserved name with the Nevada Secretary of State for an entity he identified as GENESIS WEALTH, but the reserved name expired on December 9, 2011.

f. Nevada Secretary of State records reflect that PARADISE AMERICA, the president of which was CHOATE, became a domestic non-profit corporation in April 1996, but was is in default status on or about April 30, 2013.

g. There is no official record reflecting the existence of any formed entity known as PARADISE AMERICA & ASSOCIATES.

h. CHOATE, PURNELL, GENESIS WEALTH, FOCUS 2000, and PARADISE AMERICA and/or PARADISE & ASSOCIATES have never obtained and do not hold business licenses by either the town of Pahrump or Nye County, Nevada.

i. On or about June 25, 2013, CHOATE obtained a California Real Estate Broker License Endorsement (License No. 01102211, NMLS License No. 478640).

j. Upon information and belief, CHOATE has been conducting business out of locations situated at 3760 Navajo Boulevard, Pahrump, Nevada and 4370 La Jolla Village Drive, #400, San Diego, California, under the names GENESIS WEALTH, FOCUS 2000, and/or PARADISE AMERICA or PARADISE AMERICA & ASSOCIATES.

7. The Division's investigation also revealed the following in regard to the Complaint received on July 12, 2012, by Complainant KF:

a. CHOATE and PURNELL were contacted by Complainant KF and his wife PF, in November 2010 seeking assistance in obtaining refinancing of an "underwater" mortgage loan through the federal Home Affordable Refinance Program ("HARP") and entered into a verbal agreement with Complainant KF to provide loan modification and other covered services pursuant to NRS Chapter 645F.

b. In connection with this agreement, RESPONDENTS charged $750.00 for the services to be provided and collected $1,125.00 from Complainant KF and his wife PF from approximately November 10, 2010 through September 22, 2011 for covered services.

c. RESPONDENTS collected a $750.00 payment issued on a Bank of America joint checking account by Complainant KF and his wife PF dated November 10, 2010 payable to GENESIS WEALTH FOUNDATION (memo line stating "underwater refinance"). An additional amount of $375.00 was so collected pursuant to check payable to GENESIS WEALTH dated September 22, 2011 (memo line stating "HARP").

d. Complainant KF represented in his filed complaint with the Division that following his repeated telephone calls to RESPONDENTS, only $200.00 (of the total paid amount of $1,125.00) had been returned.

e. Complainant KF and his wife PF, as borrower and co-borrower respectively, signed a Uniform Residential Loan Application provided by RESPONDENTS, also known as Fannie Mae Form 1003 and attached documents, all of which bearing the name FOCUS 2000, dated November 10, 2010, December 10, 2010, and September 22, 2011.

f. A Third-Party Authorization form contained on GENESIS WEALTH letterhead dated December 10, 2010, bearing a signature which Complainant KF asserts was not made by him, reflects Complainant KF's acknowledgement that he had read and understood the provisions of which state in part as follows:

> The undersigned are client(s) who are receiving assistance through the Genesis Wealth Foundation. The client(s) authorize the 'Genesis' and each lender and/or nonprofit agency that is assisting the client(s) with loan restructuring ... Information is used by the 'Genesis' to assist client(s) who are working as a consulting agency, and to help them with the application process for a work-out Agreement to an existing loan . . . The client(s) acknowledge that it is the lender who will determine if the client(s) qualify for a loan or loan modification, not the Genesis Wealth Foundation . . . The client(s) understand that the 'Genesis' may make recommendations about their situation, loss mitigation options and services that may be available to them . . . It is the sole responsibility of the client to continue contact and negotiations with their Lender, and Genesis will act in best interest of client in reaching affordable alternatives to Loss Mitigation and keeping families home . . . Stephen Choate provides counseling and processing services directly to client's lender and all processing will be based on best efforts basis and we are not responsible for clients underling loan.

I/We acknowledge that I/We have read and understand the provisions of this Authorization, and authorize STEPHEN CHOATE and his agents of 'Genesis' to discuss any/all reverent information to lender.

g. An additional authorization form dated December 12, 2012, which also bore a signature by Complainant KF which he asserts not having made, reflects that Complainant KF authorized GENESIS WEALTH "and/or its Representatives of 3760 E. Navajo Blvd. Pahrump, NV 89061" to represent him and speak for him in all matters regarding to the loans referenced. Such authorization further reflects Complainant KF's alleged request "that all negative action (including negative credit reporting) against me/us stops immediately so that I/we can renegotiate my current loan with your company."

h. In reply to the Division's July 23, 2012 request for response to Complainant KF's allegations, as directed to CHOATE at GENESIS WEALTH at the 3760 E. Navajo, Pahrump, Nevada, address, CHOATE represented in his August 6, 2012 correspondence to which his affidavit was attached, that GENESIS WEALTH acted only in the capacity as a self-help processing entity "to assist home owners with processing to their respective lenders," and was *not* a loan modification company, lender or broker. CHOATE further represented that no trust account had been utilized, it had made only a one-time processing charge of $750.00, and was no longer in the business of processing FHA loans. CHOATE expressed that "he would return deposit for process & not do loan processing for clients."

i. A conversation log or "conversation sheet" submitted by RESPONDENTS to the Division indicates discussions between CHOATE (and/or his agents) and Complainant KF's mortgage lending institution in which it was reflected that RESPONDENTS were acting as negotiator(s) with respect to the subject loan of the "underwater" property.

j. As a result of the unlicensed activity of RESPONDENTS in violation of NRS 645D and NAC 645F, Complainant KF suffered direct economic harm in the amount of Nine-Hundred Twenty-Five Dollars ($925.00).

8. The Division's investigation further revealed the following in regard to the Complaint received on July 17, 2012 by husband-and-wife Complainants RB and SB:

a. GENESIS WEALTH was contacted by Complainants RB and SB in January 2011 seeking assistance in obtaining refinancing of an "underwater" mortgage loan and following a meeting with CHOATE, entered into a verbal agreement with Complainants RB and SB to provide loan modification and other covered services pursuant to NRS Chapter 645F.

b. As dated January 28, 2011, Complainants RB and SB, as borrower and co-borrower respectively, signed a Uniform Residential Loan Application provided by RESPONDENTS, also known as Fannie Mae Form 1003, for refinancing of an FHA loan through the federal Home Affordable Refinance Program ("HARP").

c. Also on January 28, 2011, Complainants RB and SB signed a Third-Party Authorization Form contained on GENESIS WEALTH letterhead which reflects Complainants RB's and SB's acknowledgement that each had read and understood the provisions of which state in part as follows:

> The undersigned are client(s) who are receiving assistance through the Genesis Wealth Foundation. The client(s) authorize the 'Genesis' and each lender and/or nonprofit agency that is assisting the client(s) with loan restructuring ... Information is used by the 'Genesis' to assist client(s) who are working as a consulting agency, and to help them with the application process for a work-out Agreement to an existing loan . . . The client(s) acknowledge that it is the lender who will determine if the client(s) qualify for a loan or loan modification, not the Genesis Wealth Foundation . . . The client(s) understand that the 'Genesis' may make recommendations about their situation, loss mitigation options and services that may be available to them . . . It is the sole responsibility of the client to continue contact and negotiations with their Lender, and Genesis will act in best interest of client in reaching affordable alternatives to Loss Mitigation and keeping families home . . . Stephen Choate provides counseling and processing services directly to client's lender and all processing will be based on best efforts basis and we are not responsible for clients underling loan.

I/We acknowledge that I/We have read and understand the provisions of this Authorization, and authorize STEPHEN CHOATE and his agents of 'Genesis' to discuss any/all reverent information to lender.

d. In connection with their agreement with Complainants RB and SB, RESPONDENTS charged $750.00 for the services to be provided and so collected $750.00 from Complainants RB and SB as issued on a Wells Fargo joint checking account dated February 1, 2011 payable to GENESIS WEALTH FOUNDATION (memo line stating "FHA Refinance").

e. On or about July 26, 2011, at an additional stated cost of $325.00--$350.00, CHOATE solicited or otherwise suggested that Complainants RB and SB apply for a modification on their home mortgage debt under the federal Home Affordable Modification Program ("HAMP") which Complainants RB and SB declined, informing CHOATE that they preferred resolution under the refinancing program for which they had previously applied on January 28, 2011.

f. On or about February 23, 2012, despite numerous former conversations with CHOATE concerning the status of their FHA loan refinancing application, and there having been no apparent progress in regard thereto, Complainants RB and SB made written demand to GENESIS for refund of the $750.00 they had paid to GENESIS.

g. On March 13, 2013, Complainants RB and SB filed an Affidavit of Complaint and Order in the Justice Court of Pahrump Township, County of Nye, State of Nevada, seeking recovery from GENESIS of the $750.00 paid for uncompleted services as well as the $26.00 court-filing fee. Following a duly-noticed hearing of the matter at which RESPONDENTS failed to appear, default judgment was entered against GENESIS in the amount of $776.00.

h. In reply to the Division's July 23, 2012 request for response to Complainants RB's and SB's allegations, as directed to CHOATE at GENESIS WEALTH at the 3760 E. Navajo, Pahrump, Nevada, address, CHOATE represented in his August 6, 2012 correspondence to which his affidavit was attached, that GENESIS WEALTH acted only in the capacity as a self-help processing entity "to assist home owners with processing to their respective lenders," and was *not* a loan modification company, lender or broker. CHOATE further represented that no trust account had been utilized, it had made only a one-time processing charge of $750.00, and was no longer in the business of processing

FHA loans. CHOATE expressed that "he would return deposit for process & not do loan processing for clients."

i. A conversation log submitted by RESPONDENTS to the Division indicated discussions between CHOATE (and/or his agents) and Complainants RB's and SB's mortgage lending institution in which it was reflected that RESPONDENTS were acting as negotiator(s) with respect to the subject loan of the "underwater" property.

j. As a result of the unlicensed activity of RESPONDENTS in violation of NRS 645D and NAC 645F, Complainants RB and SB suffered direct economic harm in the amount of Seven-Hundred Fifty Dollars ($750.00).

9. The Division's investigation further revealed the following in regard to the Complaint received on August 21, 2012 by husband-and-wife Complainants JS and CS:

a. On or about December 29, 2010, Complainants JS and CS communicated with RESPONDENTS seeking assistance in obtaining reduction of the principal and interest rate on Complainants' home loans from Wells Fargo Bank and entered into a verbal agreement with RESPONDENTS to provide loan modification and other covered services pursuant to NRS Chapter 645F.

b. As dated December 29, 2010, Complainant JS (designating himself as borrower and Complainant CS as co-borrower), signed a Uniform Residential Loan Application provided by RESPONDENTS, also known as Fannie Mae Form 1003, for refinancing of an FHA loan. CHOATE is identified in the Application, per his signature, as the loan originator.

c. Also on December 29, 2010, in connection with their agreement with Complainants JS and CS, RESPONDENTS charged $750.00 for the services to be provided and so collected $750.00 from Complainants JS and CS as issued through an Army Aviation Center Federal Credit Union account ("Federal Credit Union Account'") dated December 29, 2010 payable to GENESIS WORTH (memo line stating "FHA process").

d. On December 9, 2011, Complainants JS and CS issued an additional check payable to GENESIS WEALTH FOUNDATION from the Federal Credit Union Account in the amount of $750.00 (memo line stating "mortgage adjustment").

e. Also on December 9, 2011, Complainants JS and CS signed a Third-Party Authorization Form contained on GENESIS WEALTH letterhead which reflects Complainants JS's and CS's acknowledgement that each had read and understood the provisions of which state in part as follows:

> The undersigned are client(s) who are receiving assistance through the Genesis Wealth Foundation. The client(s) authorize the 'Genesis' and each lender and/or nonprofit agency that is assisting the client(s) with loan restructuring ... Information is used by the 'Genesis' to assist client(s) who are working as a consulting agency, and to help them with the application process for a work-out Agreement to an existing loan . . . The client(s) acknowledge that it is the lender who will determine if the client(s) qualify for a loan or loan modification, not the Genesis Wealth Foundation . . . The client(s) understand that the 'Genesis' may make recommendations about their situation, loss mitigation options and services that may be available to them . . . It is the sole responsibility of the client to continue contact and negotiations with their Lender, and Genesis will act in best interest of client in reaching affordable alternatives to Loss Mitigation and keeping families home.
>
> **I/We acknowledge that I/We have read and understand the provisions of this Authorization, and authorize Barbara Purnell and her agents of 'Genesis' to discuss any/all reverent information to lender.**

f. On December 10, 2011, pursuant to signatures which Complainant JS asserts were not his, Complainant allegedly applied for loan modification relief under the federal Making Home Affordable (MHA) program, allegedly signed the certification for participation in that program as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, 124 Stat. 1376 (2010)) ("Dodd-Frank Certification") and allegedly signed an agreement on a form or weeksheet depicting the letterhead "Home Paradise America," that the lender had Complainant JS's permission to access the consumer credit information allegedly submitted regarding his financial status.

g. On August 25, 2011 and January 26, 2012, respectively, Wells Fargo Home Mortgage wrote to Complainants JS and CS to state that it had received their authorization and/or power of attorney/ court order for Wells Fargo Home Mortgage to speak with PARADISE AMERICA & ASSOCIATES and "GENESIS WEALTH FOUNDATION/Agents."

h. In reply to Complainant JS's and CS's February 14, 2012 e-mail to CHOATE requesting the status of the services to be performed by RESPONDENTS under their agreement, CHOATE suggested in his February 14, 2012 e-mail that he make an appointment to visit Complainants JS and CS at their home, at which time they could telephone Wells Fargo Mortgage with the instruction that they "tell lady Stephen [CHOATE] authorize to speak and I will get to bottom of story, at times more 'powerful' when you there to tell them to negotiate with me...." Later on the same date, CHOATE e-mailed Complainants JS and CS to repeat his suggestion to meet at their home so that Complainants JS and CS could "'verbally tell them I'm authorize to negotiate'" so that he could "do" what he was "paid to do." CHOATE stated that he needed their help "to breach thru paper barrier."

i. In their responsive e-mail correspondence to CHOATE dated February 14, 2012, Complainants JS and CS informed CHOATE that they had learned from Wells Fargo Home Mortgage that its representatives were prohibited from speaking with CHOATE because RESPONDENTS were not HUD-certified. Complainants JS and CS requested that RESPONDENTS immediately refund at least $750.00 of the amounts paid to RESPONDENTS, cancel their Third-Party Agreement, and return all documents that Complainants JS and CS had provided to RESPONDENTS.

j. In e-mail correspondence to Complainants JS and CS on April 26, 2012, CHOATE encouraged them to contact "Barbara" (who he claimed had just spoken to Wells Fargo and instructed concerning the manner of resubmission of the loan under an apparent "imminent hardship" package), and represented that "Wells Fargo had current authorization for Stephen Choate to update request."

k. In reply to the Division's August 22, 2012 request for response to Complainants JS and CS's allegations, as directed to CHOATE at GENESIS WEALTH at the 3760 E. Navajo, Pahrump, Nevada, address, CHOATE represented in his September 6, 2012 correspondence to which his affidavit was attached, that RESPONDENTS acted only as a processing entity and that he had started GENESIS as a loan processing company for clients through the "Underwater Refinance" program through a bank in which he was an approved NMLS loan officer, and that Complainants JS and CS had authorized him to switch processing their loan from the FHA underwater program to a HARP 2 refinance program, for which the second $750.00 payment to RESPONDENTS was made.

l. CHOATE further informed the Division that because the Division had advised RESPONDENTS in November 2011 "not to be loan processing entity," he had quit taking "new processing business" under GENESIS WEALTH in January 2012, a foundation which he represented "did not work," and that FOCUS 2000 "ended loan long time ago." CHOATE claimed he was not in the loan modification or processing business, had "moved to Solar sales business," and was in "ill health, no income per se."

m. As a result of the unlicensed activity of RESPONDENTS in violation of NRS 645D and NAC 645F, Complainants JS and CS suffered direct economic harm in the amount of Fifteen Hundred Dollars ($1,500.00).

10. NAC 645F.850 vests in the Commissioner the authority to order a person engaging in activity in violation of NRS 645F or the Regulation to immediately cease and desist from engaging in the activity.

11. NAC 645F.835(2) vests in the Commissioner the authority to order a person who engages in an activity for which licensure is required under NRS 645F to pay restitution to any person who has suffered an economic loss as a result of the provisions of the chapter

12. NRS 645F.410(1) grants the Commissioner the authority to impose an administrative penalty of not more than $25,000 on any person licensed or required to be licensed pursuant to provisions of NRS 645F who violates any provisions of this chapter or any regulation adopted pursuant thereto or any other applicable law.

13. NRS 622.400 authorizes the Division to recover from a person reasonable attorney's fees and costs incurred as part of its investigative, administrative, and disciplinary proceedings against the person.

14. Any finding of fact that may be deemed a conclusion of law shall be so construed.

Conclusions of Law

15. It is a violation of NAC 645F.200 for a person to advertise, engage in, or otherwise carry on or hold oneself out as engaging in or carrying on the activities of a covered service provider without first obtaining a license under provisions of NRS 645F and NAC 645F.

16. Unless otherwise exempt from the provisions of NAC 645F or NRS 645F, it is a violation of NAC 645F.800 for any person to provide or offer to provide any of the services of a covered service provider, foreclosure consultant or loan modification consultant or otherwise engage in, carry on or hold himself or herself out as engaging in or carrying out the business of a covered service provider, foreclosure consultant or loan modification consultant without first obtaining the applicable license issued pursuant to the provisions of NRS 645F and NAC 645F.

17. By providing or offering to provide refinancing or loan modification services to Complainant KF, Complainants RB and SB, and Complainants JS and CS, for compensation as defined in NRS 645F.310 on multiple occasions commencing on or about November 2010 through on or about June 2012, claiming to assist clients in obtaining refinancing or the reduction of principal and interest on their respective mortgage loans under various federal programs and negotiating or otherwise interacting with respective lenders in order to achieve the represented goals, RESPONDENTS, jointly and severally, have advertised, engaged in, or otherwise held themselves out as covered service provider(s) in violation of NAC 645F.200 and NAC 645F.800. RESPONDENTS, jointly and severally, are not exempt from the provisions of NAC 645F or NRS 645F.

18. In connection with the three aforementioned complaints filed that the Division investigated, RESPONDENTS, jointly and severally, received payments totaling $3,375.00. RESPONDENTS' unlicensed activity, in violation of NAC 645F.200 and NAC 645.800 resulted in a direct economic loss to Complainant KF in the amount of $925.00; a direct economic loss to Complainants RB and SB in the amount of $750.00; and a direct economic loss to Complainants JS and CS in the amount of $1,500.00.

Order

The Commissioner having formed the opinion based upon the foregoing that RESPONDENTS, jointly and severally, engaged in unlicensed activity in violation of Chapters NRS 645F and NAC 645F, and having concluded and determined that RESPONDENTS, jointly and severally, should be ordered to: 1) cease and desist from engaging in any activity requiring licensure under NRS 645F or NAC 645F; 2) pay restitution; 3) pay an administrative fine; and 4) pay the Division's investigative costs.

NOW, THEREFORE, IT IS ORDERED that RESPONDENTS, jointly and severally, shall immediately CEASE AND DESIST from advertising, engaging in, or otherwise carrying on or holding themselves out as engaging in or carrying on the activities of a covered service provider requiring licensure under NRS 645F in the State of Nevada.

IT IS FURTHER ORDERED that RESPONDENTS, jointly and severally, shall be and hereby required to make RESTITUTION to Complainant KF in the sum of Nine-Hundred Twenty-Five Dollars ($925.00) no later than 30 days after the effective date of this order. RESPONDENTS, jointly and severally, shall contact the Division within 21 days of the effective date of this order to make arrangements for the delivery of the required RESTITUTION to Complainant KF.

IT IS FURTHER ORDERED that RESPONDENTS, jointly and severally, shall be and hereby required to make RESTITUTION to Complainants RB and SB in the sum of Seven-Hundred Fifty Dollars ($750.00) no later than 30 days after the effective date of this order. RESPONDENTS, jointly and severally, shall contact the Division within 21 days of the effective date of this order to make arrangements for the delivery of the required RESTITUTION to Complainants RB and SB.

IT IS FURTHER ORDERED that RESPONDENTS, jointly and severally, shall be and hereby required to make RESTITUTION to Complainants JS and CS in the sum of Fifteen-Hundred Dollars ($1,500.00) no later than 30 days after the effective date of this order. RESPONDENTS, jointly and

severally, shall contact the Division within 21 days of the effective date of this order to make arrangements for the delivery of the required RESTITUTION to Complainants JS and CS.

IT IS FURTHER ORDERED that an ADMINISTRATIVE FINE in the amount of Twenty-Five Thousand Dollars ($25,000.00) shall be and hereby is imposed on RESPONDENTS, jointly and severally. The ADMINISTRATIVE FINE shall be due and payable on the 30th day following the effective date of this order and shall be tendered to the Division in accordance with the attached wire transfer instructions.

IT IS FURTHER ORDERED that RESPONDENTS, jointly and severally, shall be and hereby are assessed the Division's INVESTIGATIVE COSTS in the amount of Three-Thousand, Three-Hundred Seventy-Five Dollars ($3,375.00). INVESTIGATIVE COSTS shall be due and payable on the 30th day following the effective date of this order and shall be tendered to the Division in accordance with the attached wire transfer instructions.

IT IS FURTHER ORDERED that an administrative hearing shall be scheduled in this matter only if RESPONDENTS, joint and severally, timely request an administrative hearing in accordance with the instructions set forth in Section II of this ORDER entitled Notice of Opportunity for an Administrative Hearing. If no administrative hearing is requested within 20 calendar days of the effective date of this ORDER, RESPONDENTS, jointly and severally, shall be deemed to have waived and relinquished the right to an administrative hearing in this matter and a FINAL ORDER shall be issued in this matter.

IT IS FURTHER ORDERED that this Order shall be and is effective and enforceable on the date that it is issued, as shown in the caption hereof.

IT IS FURTHER ORDERED that this Order shall remain effective and enforceable until terminated, modified, set aside, or suspended in writing by the Commissioner.

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IT IS FURTHER ORDERED that the Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary, and appropriate to enforce provisions of NRS 645F and NAC 645F and to protect the public.

IT IS SO ORDERED.

DIVISION OF MORTGAGE LENDING

By: _____
JAMES WESTRIN
COMMISSIONER

II.

NOTICE OF OPPORTUNITY FOR AN ADMINSITRATIVE HEARING

NAC 645F.850 provides as follows:

1. If 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 to the person directing the person to cease and desist from engaging in the activity.

2. The order to cease and desist must be in writing and must state that, in the opinion of the Commissioner, the person has engaged in an activity:

(a) For which the person has not received a license as required by this chapter or chapter 645F of NRS; or

(b) In a manner that violates the provisions of this chapter or chapter 645F of NRS or an order of the Commissioner.

3. A person who receives an order to cease and desist pursuant to this section shall not engage in any activity governed by this chapter or chapter 645F of NRS after receiving the order unless the order is suspended or rescinded.

4. Not later than 20 calendar days after receiving an order pursuant to this section, the person who receives the order may file a verified petition with the Commissioner to request a hearing. Upon receipt of the verified petition, the Commissioner may, for good cause shown, suspend the order pending the hearing. The Commissioner will hold the hearing on a date not later than 30 calendar days after the date the petition is filed unless the Commissioner and the person agree to another date. The order to cease and desist is rescinded if the Commissioner fails to:

(a) Hold a hearing:

(1) Not later than 30 calendar days after the petition is filed; or

(2) On a date agreed to by the Commissioner and the person; or

(b) Render a written decision within 45 days after the hearing is concluded.

5. The decision of the Commissioner after a hearing is a final decision of the Commissioner for the purposes of judicial review. [Emphasis added.]

NAC 645F.855 provides as follows:

1. If the Commissioner enters an order taking any disciplinary action against a person, denying a person's application for a license, denying a provider the right to teach approved courses, denying the approval of a provider's course or denying the right of an instructor of a provider to teach an approved course or approved courses, the Commissioner will cause a written notice of the order to be served personally or sent by certified mail or telegram to the person.

2. Unless a hearing has already been conducted concerning the matter, the person, upon application, is entitled to a hearing. If the person does not make such an application <u>within 20 days</u> after the date of the initial order, the Commissioner will enter a final order concerning the matter.

3. A person may appeal a final order of the Commissioner taking any disciplinary action against the person in accordance with the provisions of chapter 233B of NRS that apply to a contested case. [Emphasis added.]

If you wish to exercise your right to an opportunity for an administrative hearing, <u>within 20 calendar days after receiving this Order</u>, you must file a verified petition with the Commissioner to request a hearing.

The verified petition requesting a hearing must be delivered by Certified First Class US Mail or other form of mail delivery that provides a proof of delivery and receipt, or by hand-delivery, to:

Division of Mortgage Lending
Attn. Rebecca Casteel
7220 Bermuda Road, Suite A
Las Vegas, Nevada 89119

If you fail to timely file a verified petition to request a hearing, your right to a hearing to contest this matter will be deemed waived and relinquished.

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 13 2015, 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 TO MAKE RESTITUITION, ORDER IMPOSING AN ADMINISTRATIVE FINE AND INVESTIGATIVE COSTS, AND NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING, in the matter of STEPHEN CHOATE AKA FOCUS 2000 FINANCIAL CORPORATION, GENESIS WEALTH FOUNDATION, PARADISE AMERICA AND PARADISE AMERICA & ASSOCIATES AND BARBARA PURNELL AKA FOCUS 2000 FINANCIAL CORPORATION, GENESIS WEALTH FOUNDATION, PARADISE AMERICA AND PARADISE AMERICA & ASSOCIATES, addressed as follows:

Stephen Choate
Focus 2000 Financial Corporation
3760 Navajo Blvd.
Pahrump, NV 89061

Certified Receipt Number: 7009 2250 0001 8859 0215

Barbara Purnell
Focus 2000 Financial Corporation
3760 Navajo Blvd.
Pahrump, NV 89061

Certified Receipt Number: 7009 2250 0001 8859 0222

DATED this 12th day of February, 2015

By: _____
Employee of the Division