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: NOVUS DIA, LLC, Mortgage Broker License No. UNL, and NV PROPERTY 1, LLC, Mortgage Broker License No. UNL, and SECURED ASSET MANAGEMENT, LLC, Mortgage Broker License No. UNL, and MICHAEL ECKERMAN, Owner, Mortgage Broker License No. UNL, Respondents.	Order No. 2015-040 Case No. 2015-040

ORDER TO CEASE AND DESIST,
ORDER IMPOSING ADMINISTRATIVE FINES AND INVESTIGATIVE COSTS,
AND
NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING

Issued and Entered,
This 12th day of February, 2016,
By James Westrin,
Commissioner

I.
ORDER TO CEASE AND DESIST
AND
ORDER IMPOSING ADMINISTRATIVE FINES 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 645B of the Nevada Revised Statutes, 645B.010 *et seq.* ("NRS 645B" or the "Statute"), and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 *et seq.* ("NAC 645B" or the "Regulation"), governing the licensing and conduct of mortgage brokers and mortgage agents doing business in the State of Nevada; and,

The Commissioner having been vested with general supervisory power and control over all mortgage brokers and mortgage agents doing business in the State of Nevada pursuant to NRS 645B; and,

The Commissioner having been further vested with broad authority to conduct investigations to determine whether any person is violating or has violated any provision of the Statute or the Regulation; and,

The Division of Mortgage Lending (the "Division") having received information indicating that NOVUS DIA, LLC ("NOVUS DIA"), NV PROPERTY 1, LLC ("NV PROPERTY"), SECURED ASSET MANAGEMENT, LLC ("SAM"), and MICHAEL ECKERMAN ("ECKERMAN") (collectively, the "RESPONDENTS") were engaged in activity requiring licensure as a mortgage broker under the Statute; and,

The Division having received a complaint against RESPONDENTS on or about October 5, 2015 and commenced an investigation pursuant to NRS 645B.060(2)(c), and determined, from that investigation, that RESPONDENTS were engaged in activity requiring licensure as a mortgage broker under the Statute; and,

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

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

Findings of Fact

1. NRS 645B.900 prohibits any person from offering or providing any of the services of a mortgage broker or mortgage agent or otherwise engaging in, carrying on or holding himself or herself out as engaging in or carrying on the business of a mortgage broker or mortgage agent without first

obtaining the applicable license issued pursuant to this chapter, unless the person is properly exempt from licensure.

2. NRS 645B.0127(1)(a), (d) and (e), in pertinent part, define "Mortgage Broker" to include "any person who, directly or indirectly" does any of the following:

> (a) Holds himself or herself out for hire to serve as an agent for any person in an attempt to obtain a loan which will be secured by a lien on real property;
>
> * * *
>
> (d) Holds himself or herself out as being able to buy or sell notes secured by liens on real property;
>
> (e) Offers for sale in this State any security which is exempt from registration under state or federal law and purports to make investments in promissory notes secured by liens on real property.

3. RESPONDENTS are not currently and have at no time relevant to this matter been licensed as a mortgage broker in Nevada under the Statute.

4. The Division's investigation specifically found the following:

a. NOVUS DIA and NV PROPERTY are active domestic limited liability companies (NV Entity Nos. E0373822010-4 and E0154572012-0, respectively). SAM is a domestic limited-liability company (NV Entity No. E0481892010-2) in default status as of October 31, 2015.

b. Based upon information and belief, ECKERMAN is the owner of NOVUS DIA, NV PROPERTY, and SAM and RESPONDENTS' principal place of business is located at 2580 Sorrel St., Las Vegas, Nevada 89146.

c. RESPONDENTS are not currently and have at no time relevant to this matter been licensed as a mortgage broker in Nevada under the Statute.

d. RESPONDENTS solicited and offered Nevada residents opportunities to invest in notes secured by liens on real property. In response to such solicitation or offer, Nevada residents DV and MM contacted and met with RESPONDENTS or at least one agent of RESPONDENTS. Beginning in or about July 2013, Nevada residents, DV and MM, made at least 60 investments, totaling

approximately $3,229,000.00, in notes with RESPONDENTS that were, purportedly, secured by first trust deeds on Nevada residential real properties. In relation to each investment, RESPONDENTS executed a promissory note secured by a deed of trust on residential real property located in Clark County, Nevada.

5. NAC 645B.515 vests in the Commissioner the authority to order a person engaging in activity in violation of the Statute or the Regulation to immediately cease and desist from engaging in the activity.

6. NRS 645B.690 requires the Commissioner to impose an administrative fine of not more than $50,000 for each violation, on a person that offers or provides any of the services of a mortgage broker or mortgage agent or otherwise engages in, carries on or holds himself or herself out as engage in or carrying on the business of a mortgage broker or mortgage agent and, at the time the person was required to have a license pursuant to this chapter and the person did not have such a license.

7. NRS 645B.955 authorizes the Commissioner to require a person that engages in activity for which licensure is required under the Statute to pay restitution to any person who has suffered an economic loss as a result of a violation of the Statute or Regulation.

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

Conclusions of Law

9. Unless otherwise exempt, it is a violation of NRS 645B.900 for a person to offer or provide any of the services of a mortgage broker or otherwise to engage in, carry on or hold himself or herself out as engaging in or carrying on the business of a mortgage broker without first obtaining the applicable license issued pursuant to this chapter.

10. By offering or providing the services of a mortgage broker without holding the appropriate license, and not being exempt from the licensure requirements, RESPONDENTS are in violation of NRS 645B.900.

11. The Commissioner is authorized pursuant to NAC 645B.515 to order a person to cease and desist from engaging in any activity that violates any provision of the Statute.

12. The Commissioner is required pursuant to NRS 645B.690 to impose an administrative fine of not more than $50,000 for each violation, on a person who offers or provides any of the services of a mortgage broker or otherwise engages in, carries on or holds himself or herself out as engaging in or

carrying on the business of a mortgage broker and, at the time the person was required to have a license pursuant to the Statute and the person did not have such a license.

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

Order

The Commissioner having formed the opinion based upon the foregoing that RESPONDENTS have been or are engaged in activities in violation of the Statute, and concluded and determined that RESPONDENTS should be ordered to: 1) cease and desist from engaging in any activity requiring licensure under NRS 645B; 2) pay administrative fines; and 3) pay the Division's investigative costs.

NOW, THEREFORE, IT IS ORDERED that NOVUS DIA, LLC; NV PROPERTY 1, LLC; SECURED ASSET MANAGEMENT, LLC; and MICHAEL ECKERMAN shall immediately CEASE AND DESIST from advertising, engaging in, or otherwise carrying on or holding themselves out as engaging in or carrying on any activities that require licensure as a mortgage broker under the Statute.

IT IS FURTHER ORDERED that an ADMINISTRATIVE FINE in the amount of $3,000,000.00 shall be and hereby is imposed, jointly and severally, on NOVUS DIA, LLC; NV PROPERTY 1, LLC; SECURED ASSET MANAGEMENT, LLC; and MICHAEL ECKERMAN in accordance with NRS 645B.690. 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 shall be and hereby are, jointly and severally, assessed the Division's INVESTIGATIVE COSTS in the amount of $5,445.00, in accordance with NRS 622.400. The 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 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 30 calendar days of the effective date of this Order**

RESPONDENTS 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.

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 645B and NAC 645B 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 645B.515, provides as follows:

If a person engages in an activity in violation of the provisions of this chapter or chapter 645B of NRS, 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 or certificate of exemption as required by chapter 645B of NRS; or

(b) In a manner that violates the provisions of this chapter or chapter 645B of NRS.

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

4. Not later than **30 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 date 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 date the hearing is concluded.

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

NRS 645B.750, provides as follows:

1. If the Commissioner enters an order taking any disciplinary action against a person or denying a person's application for a license, the Commissioner shall 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 **within 20 days** after the date of the initial order, the Commissioner shall enter a final order concerning the matter.

3. A person may appeal a final order of the Commissioner 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, within 30 calendar days after receiving this Order, you must file a verified petition with the Commissioner to request a hearing.

The verified petition requesting a hearing must be delivered to:

Division of Mortgage Lending
Attn. Susan Slack
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.

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: NOVUS DIA, LLC, Mortgage Broker License No. UNL, and NV PROPERTY 1, LLC, Mortgage Broker License No. UNL, and SECURED ASSET MANAGEMENT, LLC, Mortgage Broker License No. UNL, and MICHAEL ECKERMAN, Owner, Mortgage Broker License No. UNL, Respondents.	Order No. 2015-040 Case No. 2015-040

REQUEST FOR INFORMAL CONFERENCE OR HEARING

I, _____ hereby request an informal conference or contested case hearing, as applicable, in the above-captioned matter.

CONTACT INFORMATION
(Provide contact information and check as applicable)

Home address: _____

_____

Mailing address: _____

_____

Home Phone: _____ Mobile Phone: _____

Office Phone: _____ E-mail Address: _____

COUNSEL CONTACT INFORMATION

Name of Counsel: _____

Address: _____

_____

Office Phone: _____ E-mail Address: _____

_____ I **am not** represented by counsel and direct all documents and correspondence regarding this matter to be sent to me at the address represented above.

_____ I am represented by counsel and direct all documents and correspondence regarding this matter to be sent to my counsel of record at the address provided above. (Attorneys must attach and file an appearance with this response.)

Respectfully Submitted,

_____

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 12, 2016, 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 ADMINISTRATIVE FINES AND INVESTIGATIVE COSTS, AND NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING in the matter of NOVUS DIA, LLC AND NV PROPERTY 1, LLC AND SECURED ASSET MANAGEMENT, LLC AND MICHAEL ECKERMAN, addressed as follows:

Michael Eckerman
2580 Sorrel Street
Las Vegas, NV 89146

Certified Receipt Number: 7009 2250 0001 8859 0826

Michael Eckerman
4730 North Jensen Street
Las Vegas, NV 89129

Certified Receipt Number: 7009 2250 0001 8859 0833

Ira Levine
Assly Sayyar
Levine Garfinkel Eckersley & Angioni
8880 W. Sunset Road, Suite 290
Las Vegas, NV 89148

Certified Receipt Number: 7009 2250 0001 8859 0840

DATED this 12th day of February, 2016

By: Susan Slack
Employee of the Division