

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

Before the Commissioner of the Division of Mortgage Lending

5	In the Matter of:)	
6)	
7	NOVUS DIA, LLC,)	
8	Mortgage Broker License No. UNL,)	Order No. <u>2015-040</u>
9	and)	Case No. 2015-040
10)	
11	NV PROPERTY 1, LLC,)	
12	Mortgage Broker License No. UNL,)	
13	and)	
14)	
15	SECURED ASSET MANAGEMENT, LLC,)	
16	Mortgage Broker License No. UNL,)	
17	and)	
18)	
	MICHAEL ECKERMAN, Owner,)	
	Mortgage Broker License No. UNL,)	
)	
)	
	Respondents.)	

CONSENT ORDER REQUIRING COMPLIANCE,
IMPOSING AN ADMINISTRATIVE FINE
AND
ASSESSING FEES AND COSTS

Issued and Entered,
This 6th day of February, 2017,
By Cathy Sheehy,
Commissioner

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, NRS 645B.010 *et. seq.* ("NRS 645B" or "the Statute"), and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 *et*

1 *seq.* (“NAC 645B” or “the Regulation”), governing the licensing and conduct of mortgage brokers and
2 mortgage agents in the State of Nevada; and,

3 The Commissioner having been further granted general supervisory power and control and
4 administrative enforcement authority over all mortgage brokers and mortgage agents doing business in the
5 State of Nevada pursuant to NRS 645B, including the authority to conduct such investigations as may be
6 necessary to determine if any person has violated the Statute or Regulation; and,

7 The Division of Mortgage Lending (the “Division”) having received a complaint against
8 NOVUS DIA, LLC (“NOVUS DIA”); NV PROPERTY 1, LLC (“NV PROPERTY”); SECURED
9 ASSET MANAGEMENT, LLC (“SAM”); and MICHAEL ECKERMAN (“ECKERMAN”)
10 (collectively, the “RESPONDENTS”) from D.V. and M.M. (collectively, “the Lenders”) on or about
11 October 5, 2015; and,

12 NOVUS DIA (NV Entity No. E0373822010-4) and NV PROPERTY (NV Entity No.
13 E0154572012-0) being licensed by the Nevada Secretary of State as active domestic limited liability
14 companies until rendered in default status as of August 31, 2016, and March 31, 2016, respectively, and
15 SAM being a domestic limited-liability company (NV Entity No. E0481892010-2) in default status as of
16 October 31, 2015; and,

17 ECKERMAN being the owner of NOVUS DIA, NV PROPERTY, and SAM and
18 RESPONDENTS’ principal place of business being located at 2580 Sorrel St., Las Vegas, Nevada
19 89146; and,

20 Division Staff (“Staff”) having conducted an investigation pursuant to NRS 645B.060(2)(c),
21 and, from that investigation determined that RESPONDENTS may have engaged in activity requiring
22 licensure as a mortgage broker pursuant to NRS 645B.900, and were not properly licensed or exempt
23 from licensing as required by the Statute; and,

24 The Division having informed RESPONDENTS of the results of the investigation; and,

25 RESPONDENTS and Staff having met to discuss this matter and RESPONDENTS having
26 expressed their belief that they did not violate the Statute, their intent to comply with the Statute, and
27 their desire to cooperate with the Division, and to avoid the time and expense involved in a formal
28 administrative enforcement hearing; and,

1 The Division and RESPONDENTS having conferred concerning this matter and determined to
2 resolve this matter pursuant to the following terms:

3 1. RESPONDENTS, without admitting any liability or that there was a violation of
4 NRS 645B or NAC 645B, agree to not violate any provisions of NRS 645B or NAC 645B.
5 RESPONDENTS further acknowledge and understand that the Statute prohibits them from advertising,
6 engaging in, or otherwise carrying on or holding themselves out as engaging in or carrying on any
7 activities that require licensure as a mortgage broker under the Statute until and unless they are properly
8 licensed under the Statute; and,

9 2. RESPONDENTS agree to pay the Division's FEES AND COSTS in the amount of
10 \$15,445.00, in accordance with NRS 622.400. RESPONDENTS agree that the FEES AND COSTS are
11 due and payable upon RESPONDENTS' execution of the attached VOLUNTARY CONSENT TO
12 ENTRY OF COMMISSIONER'S ORDER in accordance with the enclosed instructions; and,

13 3. RESPONDENTS agree to pay to Lenders the amounts as set forth and in accordance
14 with the terms as specified in the Memorandum of Understanding between the Lenders and
15 RESPONDENTS dated September 30, 2016, and provided to the Division on November 30, 2016
16 ("MOU"); and,

17 4. RESPONDENTS agree to provide the Division, on a quarterly basis starting on January
18 2, 2017, with an updated accounting of the monies returned to the Lenders; and,

19 5. RESPONDENTS agree to pay an ADMINISTRATIVE FINE in the amount of
20 \$40,000.00, payable in installments of \$5,000.00 per month with the first payment due on the first day
21 of the second month following the execution of the attached VOLUNTARY CONSENT TO ENTRY
22 OF COMMISSIONER'S ORDER and continuing on the first day of each month thereafter until paid in
23 full; and,

24 6. RESPONDENTS agree that if RESPONDENTS fail to comply with the material terms
25 of this Order, RESPONDENTS will pay to the Division an additional ADMINISTRATIVE FINE in the
26 amount of \$500,000.00 *plus* an amount equal to the remaining balance owed to Lenders under the
27 MOU, and that fine is held in abeyance unless and until such failure occurs; and,

28

1 7. RESPONDENTS understand and agree that if RESPONDENTS fail to comply with the
2 material terms of this Order (including failure to comply with the terms of the aforementioned MOU),
3 the unpaid balance of the ADMINISTRATIVE FINE, and the additional ADMINISTRATIVE FINE
4 shall be immediately due and payable to the Division in full; and,

5 8. RESPONDENTS understand and agree that failure to comply with each and every
6 material provision of this Order is a violation of NRS 645B.670(1)(b)(3) and is grounds for any
7 discipline authorized under NRS 645B; and,

8 RESPONDENTS having knowingly and voluntarily affixed their authorized signature to the
9 attached VOLUNTARY CONSENT TO ENTRY OF COMMISSIONER'S ORDER, incorporated
10 herein by this reference, have consented to the issuance of this Order with the intent to be legally bound
11 hereby, and have waived and relinquished any and all rights that RESPONDENTS may now or
12 hereafter have to an administrative hearing in this matter or to judicial review of, or otherwise challenge
13 or contest, the entry of this Order; and,

14 RESPONDENTS having had opportunity to consult with legal counsel of their choosing
15 concerning this matter; and,

16 The Commissioner having made the following FINDINGS and CONCLUSIONS:

17 1. The Commissioner has jurisdiction and authority to issue this Order in this matter,
18 pursuant to the Nevada Administrative Procedures Act ("NAPA"), NRS 233B.010 *et seq.*, and the
19 Mortgage Brokers and Mortgage Agents Act, NRS 645B.010 *et seq.*

20 2. All required notices have been issued in this matter, and the notices and service thereof
21 were appropriate and lawful in all respects.

22 3. The terms of this Order are a reasonable resolution of this matter and in the public
23 interest.

24 4. All applicable provisions of NAPA and NRS 622 have been met.

25 NOW, THEREFORE, IT IS HEREBY ORDERED that:

26 1. RESPONDENTS shall CEASE AND DESIST from any violation of NRS 645B or
27 NAC 645B.

1 2. RESPONDENTS shall pay the Division's FEES AND COSTS in the amount of
2 \$15,445.00 upon RESPONDENTS' execution of the attached VOLUNTARY CONSENT TO ENTRY
3 OF COMMISSIONER'S ORDER in accordance with the enclosed instructions.

4 3. RESPONDENTS shall pay Lenders the amounts as set forth and in accordance with the
5 terms as specified in the MOU.

6 4. RESPONDENTS shall provide the Division, on a quarterly basis starting on January 2,
7 2017, with an updated accounting of the monies returned to the Lenders.

8 5. RESPONDENTS shall pay an ADMINISTRATIVE FINE in the amount of \$40,000.00,
9 payable in installments of \$5,000.00 per month with the first payment due on the first day of the second
10 month following the execution of the attached VOLUNTARY CONSENT TO ENTRY OF
11 COMMISSIONER'S ORDER and continuing on the first day of each month thereafter until paid in full.

12 6. RESPONDENTS shall pay an additional ADMINISTRATIVE FINE in the amount of
13 \$500,000.00 *plus* an amount equal to the remaining balance owed to Lenders under the MOU if
14 RESPONDENTS fail to comply with the material terms of this Order, and that fine is held in abeyance
15 unless and until such failure occurs.

16 7. If RESPONDENTS fail to comply with the material terms of this Order (including
17 failure to comply with the terms of the aforementioned MOU), the unpaid balance of the
18 ADMINISTRATIVE FINE, and the additional ADMINISTRATIVE FINE shall be immediately due and
19 payable to the Division in full.

20 8. The February 12, 2016 Order to Cease and Desist, Order Imposing an Administrative
21 Fine and Investigative Costs, and Notice of Opportunity for Administrative Hearing will be withdrawn
22 on the effective date of this Order.

23 9. This Order shall be and is effective and enforceable on the date that it is issued, as shown
24 in the caption hereof.

25 10. This Order shall remain effective and enforceable until terminated, modified, set aside or
26 suspended in writing by the Commissioner.

1 11. The Commissioner specifically retains jurisdiction of the matters contained herein and
2 has the authority to issue such further order(s) as the Commissioner shall deem just, necessary, and
3 appropriate to enforce the Statute and protect the public.

4 IT IS SO ORDERED.

6 DIVISION OF MORTGAGE LENDING

7
8 By: 

9 CATHY SHEEHY
10 COMMISSIONER

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