

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:

SECURE INVESTMENT GROUP LLC,  
Mortgage Broker License No. 4451,  
NMLS ID No. 1476705,

and

ANN VAUGHN,  
Mortgage Agent License No. 56509,  
NMLS ID No. 1104363,

Respondents.

Order No. 2017-004

Case No. 2017-004

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

Issued and Entered,  
This 10<sup>th</sup> day of July, 2017,  
By Cathy Sheehy,  
Commissioner

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

1 The Commissioner having been vested with general supervisory power and control over all  
2 mortgage brokers and mortgage agents doing business in the State of Nevada pursuant to the Statute;  
3 and,

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

6 The Division of Mortgage Lending (“the Division”) having received information indicating that  
7 SECURE INVESTMENT GROUP LLC (“SIG”) and ANN VAUGHN (“VAUGHN”) (collectively, the  
8 “RESPONDENTS”) are or were engaged in activity requiring licensure as a mortgage broker under the  
9 Statute; and,

10 The Division, having commenced an investigation of RESPONDENTS’ business practices  
11 pursuant to NRS 645B.060(2)(c), and having determined, from that investigation, that RESPONDENTS  
12 were engaged in activity requiring licensure as a mortgage broker under the Statute; and,

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

14 The Commissioner having reviewed the results of the investigation, makes the following  
15 FINDINGS OF FACT and CONCLUSIONS OF LAW:

16 **Findings of Fact**

17 1. NRS 645B.900 prohibits any person from offering or providing any of the services of a  
18 mortgage broker or mortgage agent or otherwise engaging in, carrying on or holding himself or herself  
19 out as engaging in or carrying on the business of a mortgage broker or mortgage agent without first  
20 obtaining the applicable license issued pursuant to the Statute, unless the person is properly exempt  
21 from licensure.

22 2. NRS 645B.0127(1) defines “[m]ortgage broker” to include any person who *directly or*  
23 *indirectly* does any of the following:

24 (a) Holds himself or herself out for hire to serve as an agent for any  
25 person in an attempt to obtain a loan which will be secured by a lien on  
26 real property;

1 (b) Holds himself or herself out for hire to serve as an agent for any  
2 person who has money to lend, if the loan is or will be secured by a lien on  
3 real property;

4 (c) Holds himself or herself out as being able to make loans secured by  
5 liens on real property;

6 (d) Holds himself or herself out as being able to buy or sell notes  
7 secured by liens on real property; or

8 (e) Offers for sale in this State any security which is exempt from  
9 registration under state or federal law and purports to make investments in  
10 promissory notes secured by liens on real property.

11 3. NRS 645B.670(1)(a) authorizes the Commissioner to impose described discipline upon  
12 an applicant for a mortgage agent or mortgage broker license, whether or not the license is issued,  
13 where the applicant has knowingly made any false representation of material fact to the Commissioner,  
14 or has suppressed or withheld from the Commissioner, any information which the applicant possesses  
15 and which, if submitted by the applicant, would have rendered the applicant ineligible to be licensed  
16 pursuant to the Statute.

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

18 a. SIG is an active Nevada domestic limited-liability, which although having made  
19 application for a Nevada broker license on or about April 7, 2016, has at no time relevant to this matter,  
20 been licensed as a mortgage broker in Nevada under the Statute.

21 b. Based upon information and belief, SIG's principal place of business is located at  
22 the residential address of 10080 Ellis Park Lane, Reno, Nevada 89521.

23 c. Based upon information and belief, VAUGHN is the executive officer of SIG.

24 d. VAUGHN is licensed by the California Bureau of Real Estate as a salesperson  
25 with a Monrovia, California mailing address, for an employing real-estate broker located in Palm  
26 Springs, California (License No. 01330177). While VAUGHN made application for a Nevada  
27 mortgage agent license on or about June 13, 2016, she has at no time relevant to this matter been  
28 licensed as a mortgage broker or mortgage agent in Nevada under the Statute.

1 e. On or about June 10, 2015, identifying its principal place of business as  
2 Monrovia, California, and its contact person as VAUGHN, SIG registered with the Division to engage  
3 in the business of servicing mortgage loans secured by liens on real property located in Nevada, from  
4 offices outside the state of Nevada. However, following the enactment of statutory authority requiring  
5 licensing and supervision of mortgage servicers in Nevada, and the Division's adoption of  
6 implementing regulations governing the licensure and conduct of mortgage servicers or supplemental  
7 mortgage servicers doing business in Nevada, the Division required that all persons requiring licensure  
8 as a mortgage servicer or supplemental mortgage servicer submit completed applications by January 31,  
9 2016. Failure to make application by such date would subject the person to administrative discipline.

10 f. On August 25, 2016, after VAUGHN submitted application for a mortgage agent  
11 license (identifying her residence as 10080 Ellis Park Lane, in Reno, Nevada) and after SIG submitted  
12 application for a mortgage broker license (representing its principal place of business as the same 10080  
13 Ellis Park Lane, Reno address identified by VAUGHN as her residential address and identifying  
14 VAUGHN as its primary company contact), Division staff wrote to VAUGHN noting that SIG had not  
15 applied for a mortgage loan servicer license or a supplemental loan servicer license; reminded  
16 VAUGHN of the licensing requirements; and requested VAUGHN to submit a detailed written  
17 description of the company's business activities in Nevada. VAUGHN responded on September 8,  
18 2016, stating that the loan-servicer application was not complete and asked for an extension of time to  
19 submit the application.

20 g. On September 22, 2016, following VAUGHN'S failure to provide the requested  
21 information, Division staff repeated the request concerning the status of the loan-servicer license  
22 application and asked if the company still intended to apply for a mortgage broker license as well.

23 h. VAUGHN did not specifically reply to the Division's September 22, 2016,  
24 request, but on or about September 23, 2016, VAUGHN, on behalf of SIG, submitted the Home-Based  
25 Business Application which the Division requires to be provided by an applicant when seeking  
26 licensure as a Nevada mortgage broker. Among the specific licensure conditions and requirements  
27 which the Home-Based Business Application form notifies and describes, and of which the applicant  
28

1 for mortgage broker must *understand, acknowledge, and agree*, is Item No. 2, which mandates the  
2 following:

3 Licensee shall abide by all local ordinances and applicable HOA rules  
4 pertaining to a home-based business and represents the proposed licensed  
5 location is not within a gated or restricted access community.

6 i. Identifying SIG's business address as the 10080 Ellis Park Lane, Reno address,  
7 VAUGHN provided her notarized signature upon the Home-Based Business Application, expressly  
8 acknowledging in conformance with the stated application language, that she had personally completed  
9 the application; read and knew the contents thereof; that the statements made therein were true; and that  
10 she understood and agreed to the requirements for a home-based business.

11 j. On October 10, 2016, having failed to have provided the information requested  
12 by the Division in its September 22, 2016, correspondence, Division staff wrote to VAUGHN again,  
13 expressing that if written response was not provided to the Division by October 20, 2016,  
14 RESPONDENTS may be subject to administrative penalty.

15 k. On or about November 9, 2016, the Division became aware of facts indicating  
16 that RESPONDENTS were engaged in activity requiring licensure under the Statute without having first  
17 obtained licensure. In particular, the Division discovered that on the website  
18 [www.secureinvestmentgroupllc.com](http://www.secureinvestmentgroupllc.com), RESPONDENTS advertised and promoted SIG's services as a  
19 provider of private money loans or direct lending services in Nevada and California, expressly  
20 representing it was focusing upon the Reno, Nevada area in offering loans which included conventional  
21 mortgage loans as well as business-purpose loans, "jumbo" mortgage loans, "fix and flip" loans,  
22 refinancing loans, and construction loans, with flexible underwriting. Representing SIG as a family-run  
23 business to assist property investors in achieving their goals, RESPONDENTS expressed they were  
24 dedicated to personalized service, claiming their loans, as ranging from \$100,000.00 to \$700,000.00,  
25 "typically funded in about 7-14 business days." RESPONDENTS' website urged interested persons to  
26 submit applications via the provided online, "Secure Mortgage Application," the related "apps" for  
27 which, as located at <https://secure-apps.smartapp1003.com/agreements>, provided the methodology to  
28 enable the user, by clicking in the designated areas, to confirm his or agreement granting permission for

1 RESPONDENTS to obtain all information deemed necessary to process the mortgage loan application,  
2 including agreements to the Patriot Act and for credit-check and electronic disclosures authorization.  
3 RESPONDENTS' website also solicited interested persons to utilize RESPONDENTS' dropdown  
4 menus to select loan type, credit history, and property value in order to "[q]uickly receive a quote" or to  
5 contact RESPONDENTS (at the same California telephone number which appears as the contact  
6 number for VAUGHN on RESPONDENTS' NMLS submissions) to obtain information concerning  
7 current rates and loan programs. Alternatively, the website solicited viewers to call the same identified  
8 telephone number associated with VAUGHN, "to speak with a mortgage banker."

9           l.       In response to the Division's November 15, 2016 written request for an  
10 explanation concerning RESPONDENTS' advertisements of mortgage lending services in Nevada  
11 without having proper licensure, VAUGHN expressed that while the company's website had not  
12 generated any phone call or inquiry, she had, upon receipt of the Division's letter, placed an immediate  
13 hold on RESPONDENTS' website which would not be reinstated until Division approval was obtained.  
14 She further claimed that her company was a family business which used its own income to fund private-  
15 money, business-purpose loans, only doing about three loans per year, and "always going through a  
16 licensed mortgage broker." She stated that she was "under the impression" that if she funded any loans  
17 using a licensed mortgage broker, she was "in compliance."

18           m.       On or about February 24, 2017, Division investigators made an unannounced  
19 office visit to the address of 10080 Ellis Park Lane, Reno, Nevada 89521, which was situated within a  
20 gated residential community, access to which was further restricted by an on-duty security officer.  
21 Stating that businesses were not permitted to operate in the residential development, the security officer  
22 granted the Division's investigators entry to the community. The investigators did not find VAUGHN  
23 at home.

24           n.       On or about April 25, 2017, as reflected in the Division's database, SIG's  
25 application for a Nevada mortgage broker license was abandoned or withdrawn.

26           o.       RESPONDENTS engaged in, carried on, or held themselves out as engaging in  
27 or carrying on the business of a mortgage broker within the meaning of NRS 645B.0127, when, on  
28 behalf of Nevada borrowers or investors, RESPONDENTS directly or indirectly held themselves out for

1 hire to serve as agents for such borrowers or investors in offering, arranging or attempting to arrange  
2 private or hard money loans for the purchase of and/or investment in residential or business properties  
3 as secured by liens on real property. As facilitated by RESPONDENTS' utilization of its website  
4 [www.secureinvestmentgrouppllc.com](http://www.secureinvestmentgrouppllc.com) and through <https://secureapp.smartapp1003.com>,  
5 RESPONDENTS directly or indirectly hold themselves out as hard money lenders able to originate,  
6 underwrite, or fund described mortgage loans and transactions and able to assist borrowers and  
7 investors in pursuing refinancing or investment projects, and obtaining income-producing properties for  
8 resale.

9 p. In connection with its application for licensure as a mortgage broker in Nevada,  
10 RESPONDENTS knowingly made or caused to be made to the Commissioner, false representations of  
11 material fact, or suppressed or withheld from the Commissioner, information as possessed by  
12 RESPONDENTS, which if submitted by RESPONDENTS, would have rendered RESPONDENTS  
13 ineligible to be licensed as a mortgage broker, when VAUGHN, aware that she resided in a gated and  
14 guarded residential community, represented on RESPONDENTS' Home-Based Business Application  
15 form, that RESPONDENTS's proposed, licensed location was *not* within a gated or restricted-access  
16 community.

17 q. RESPONDENTS engaged in activities and conduct which required licensure as a  
18 mortgage broker under the Statute and were not exempt from licensure under the Statute.

19 r. In connection with its application for a mortgage broker license,  
20 RESPONDENTS made direct misrepresentation of material fact to the Commissioner, or suppressed or  
21 withheld from the Commissioner, information it possessed, which if been submitted, would have  
22 rendered RESPONDENTS ineligible to be licensed under the Statute.

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

#### 24 Conclusions of Law

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

1           7.     By providing or offering to provide the services of a mortgage broker without having  
2 first obtained the applicable license under the Statute, and not being exempt from the licensure  
3 requirements, RESPONDENTS are in violation of NRS 645B.900.

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

7           9.     NRS 645B.690(1)(a) requires the Commissioner to impose an administrative fine of not  
8 more than \$50,000.00 on a person that offers or provides any of the services of a mortgage broker or  
9 mortgage agent or otherwise engages in, carries on or holds himself or herself out as engaging in or  
10 carrying on the business of a mortgage broker or mortgage agent and, at the time the person was  
11 required to have a license pursuant to the Statute and the person did not have such a license.

12          10.    NRS 645B.670(1)(a) provides that for each violation committed by an applicant for a  
13 license issued pursuant to the Statute, whether or not the applicant is issued a license, the  
14 Commissioner may impose upon the applicant an administrative fine of not more than \$25,000 if the  
15 applicant:

16                   (1) Has knowingly made or caused to be made to the Commissioner any  
17 false representation of material fact;

18                   (2) Has suppressed or withheld from the Commissioner any information  
19 which the applicant possesses and which, if submitted by the applicant,  
20 would have rendered the applicant ineligible to be licensed pursuant to the  
21 provisions of the this chapter; or

22                   (3) Has violated any provision of this chapter, a regulation adopted  
23 pursuant to this chapter, or an order of the Commissioner in completing  
24 and filing his or her application for a license or during the course of the  
25 investigation of his or her application for a license.

26          11.    By having, in connection with SIG's application for a mortgage broker license,  
27 knowingly submitted false representation of material fact to the Commissioner, or suppressed or  
28 withheld from the Commissioner information known by SIG which had it been submitted, rendered SIG



1 ineligible to be licensed pursuant to the Statute, RESPONDENTS are in violation of  
2 NRS 645B.670(1)(a).

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

4 **Order**

5 The Commissioner having formed the opinions based upon the foregoing that RESPONDENTS  
6 have been or are engaged in unlicensed activities in violation of the Statute, and have knowingly made  
7 false representations of material fact to the Commissioner in violation of the Statute, conclude and  
8 determine that RESPONDENTS should be ordered to: 1) cease and desist from engaging in any activity  
9 requiring licensure under NRS 645B; 2) pay administrative fines; and 3) pay the Division's  
10 investigative costs.

11 NOW, THEREFORE, IT IS ORDERED that SECURE INVESTMENT GROUP LLC and ANN  
12 VAUGHN shall immediately CEASE AND DESIST from advertising, engaging in, or otherwise  
13 carrying on or holding themselves out as engaging in or carrying on any activities that require licensure  
14 as a mortgage broker under the Statute.

15 IT IS FURTHER ORDERED that an ADMINISTRATIVE FINE in the amount of \$5,000.00  
16 shall be and hereby is imposed, jointly and severally, on SECURE INVESTMENT GROUP LLC and  
17 ANN VAUGHN in accordance with NRS 645B.690(1)(a). The ADMINISTRATIVE FINE shall be due  
18 and payable on the 30<sup>th</sup> day following the effective date of this Order and shall be tendered to the  
19 Division in accordance with the attached wire transfer instructions.

20 IT IS FURTHER ORDERED that an ADMINISTRATIVE FINE in the amount of \$5,000.00  
21 shall be and hereby is imposed, jointly and severally, on SECURE INVESTMENT GROUP LLC and  
22 ANN VAUGHN in accordance with NRS 645B.670(1)(a). The ADMINISTRATIVE FINE shall be due  
23 and payable on the 30<sup>th</sup> day following the effective date of this Order and shall be tendered to the  
24 Division in accordance with the attached wire transfer instructions.

25 IT IS FURTHER ORDERED that RESPONDENTS shall be and hereby are assessed, jointly and  
26 severally, on SECURE INVESTMENT GROUP LLC and ANN VAUGHN, the Division's  
27 INVESTIGATIVE COSTS in the amount of \$3,060.00, in accordance with NRS 622.400. The  
28 INVESTIGATIVE COSTS shall be due and payable on the 30<sup>th</sup> day following the effective date of this

1 Order and shall be tendered to the Division with the ADMINISTRATIVE FINE in accordance with the  
2 attached wire transfer instructions.

3 IT IS FURTHER ORDERED that an administrative hearing shall be scheduled in this matter  
4 only if RESPONDENTS timely request an administrative hearing in accordance with the instructions  
5 set forth in Section II of this Order entitled Notice of Opportunity for an Administrative Hearing. **If no  
6 administrative hearing is requested within 30 calendar days of the effective date of this ORDER,  
7 RESPONDENTS shall be deemed to have waived and relinquished the right to an administrative  
8 hearing in this matter and a FINAL ORDER shall be issued in this matter.**



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

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

13 IT IS FURTHER ORDERED that the Commissioner specifically retains jurisdiction over the  
14 matters contained herein and has the authority to issue such further order(s) as the Commissioner shall  
15 deem just, necessary, and appropriate to enforce the Act and protect the public.

16 IT IS SO ORDERED.

17 DIVISION OF MORTGAGE LENDING

18   
19 By:   
20 Cathy Sheehy, Commissioner

21 II.

22 NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING

23 **NAC 645B.515 provides as follows:**

24 If a person engages in an activity in violation of the provisions of this  
25 chapter or chapter 645B of NRS, the Commissioner may issue an order to  
26 the person directing the person to cease and desist from engaging in the  
27 activity.  
28

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

3           (a) For which the person has not received a license or certificate of  
4           exemption as required by chapter 645B of NRS; or

5           (b) In a manner that violates the provisions of this chapter or chapter  
6           645B of NRS.

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

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

18          (a) Hold a hearing:

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

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

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

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

25 **NRS 645B.750 provides as follows:**

26           1. If the Commissioner enters an order taking any disciplinary action against a  
27           person or denying a person's application for a license, the Commissioner shall  
28

1 cause a written notice of the order to be served personally or sent by certified  
2 mail or telegram to the person.

3 2. Unless a hearing has already been conducted concerning the matter, the  
4 person, upon application, is entitled to a hearing. If the person does not make  
5 such an application within 20 days after the date of the initial order, the  
6 Commissioner shall enter a final order concerning the matter.

7 3. A person may appeal a final order of the Commissioner in accordance with  
8 the provisions of chapter 233B of NRS that apply to a contested case.

9 [Emphasis added.]

10 **If you wish to exercise your right to an opportunity for an administrative hearing, within**  
11 **30 calendar days after receiving this Order, you must file a verified petition with the**  
12 **Commissioner to request a hearing.**

13 The verified petition requesting a hearing must be delivered to:

14 Division of Mortgage Lending

15 Attn. Susan Slack

16 3300 West Sahara Avenue, Suite 285

17 Las Vegas, Nevada 89102

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