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: CITIZENS CHOICE MORTGAGE, Mortgage Broker License No. 2647, NMLS ID No. 322341, and SHAWN MICHAEL CLEM, President and Sole Shareholder, Mortgage Agent License No. 3082, NMLS ID No. 372658, Respondents.	Order No. 2016-012 Case No. 2016-012

CONSENT ORDER
TO CEASE AND DESIST VIOLATING NRS 645B AND NAC 645B
AND
IMPOSING AN ADMINISTRATIVE FINE AND ASSESSING ADMINISTRATIVE COSTS

Issued and Entered,
This ____ day of November, 2016,
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 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 further granted general supervisory power and control and enforcement authority over all mortgage brokers and mortgage agents doing business in the State of

Nevada pursuant to NRS 645B, including the authority to conduct such investigations as may be necessary to determine if any person has violated the Statute or Regulation; and,

CITIZENS CHOICE MORTGAGE ("CITIZENS CHOICE") having been granted a mortgage broker license by the Commissioner (License No. 2647, NMLS ID No. 322341) pursuant to the provisions of NRS 645B on November 13, 2006, and has held that license at all times relevant to this matter; and,

CITIZENS CHOICE having been approved and licensed under the Statute to use or conduct the business of a mortgage broker only in the name "Citizens Choice Mortgage" from its Nevada office located at 2690 Chandler Avenue #4, Las Vegas, Nevada 89120 (the Nevada office now being situated at 6920 McLeod Drive #100, Las Vegas, Nevada 89120); and,

SHAWN MICHAEL CLEM ("CLEM"), having been granted a Nevada mortgage agent license by the Commissioner (License No. 3082, NMLD ID No. 372658) pursuant to the provisions of NRS 645B on June 14, 2001, and has held that license at all times relevant to this matter; and,

CLEM is the president and sole shareholder of CITIZENS CHOICE; and,

CITIZENS CHOICE and CLEM (collectively, the "RESPONDENTS"), having pursuant to NRS 645B.021, designated licensed mortgage agent Joel Armstrong ("Armstrong") to serve as CITIZENS CHOICE'S qualified employee ("QE") in accordance with the requirements of the Statute, and who at all times relevant to this matter served as CITIZEN CHOICE'S designated and approved QE; and,

The Division, during the course of carrying out its supervisory responsibilities under the Statute, obtained information that RESPONDENTS were engaged or engaging in activity and conduct that violated provision(s) of the Statute and the Regulation, and upon investigation by Division staff pursuant to NRS 645B.060(2)(c), discovered that RESPONDENTS were conducting business in the name of "CCM Lending," specifically through its QE Armstrong, operating and maintaining a website located at http://ccmlending.com, as well as social media accounts on Facebook, PR Buzz and Twitter, where RESPONDENTS were advertising mortgage broker business in the name of "CCM Lending"; and,

Based upon the investigation, including review of the files and records of the Division, the Commissioner determined that CITIZENS CHOICE was not currently and at no time relevant to this matter been approved or licensed to operate in any name other than CITIZENS CHOICE MORTGAGE in Nevada, and that "CCM Lending" was not currently and had at no time relevant to this matter been

approved or licensed as a fictitious name for CITIZENS CHOICE in Nevada, as required by the Statute and the Regulation; and,

That based upon the foregoing, RESPONDENTS failed to exercise reasonable supervision and control over the activities of its mortgage agent and QE, Armstrong; and,

That based upon the foregoing, the Division thereby concluding that RESPONDENTS committed violations of NAC 645B.037(2), NRS 645B.460, and NRS 645B.670(1)(b)(3); and,

On or about May 5, 2016, in accordance with NRS 233B.127(3), RESPONDENTS were served with a Notice of Opportunity to Show Compliance and Proposed Administrative Complaint ("Notice") providing RESPONDENTS with (1) notice of facts or conduct which warrant disciplinary action against RESPONDENTS' respective mortgage broker and mortgage agent licenses and (2) notice of their opportunity for an informal conference, prior to the commencement of formal disciplinary action, to show compliance with all lawful requirements for the retention of the licenses; and,

RESPONDENTS having acknowledged the violations and represented that corrective measures had been implemented and undertaken; and,

To avoid the time and expense involved in a formal administrative enforcement hearing, the Division and RESPONDENTS have conferred concerning this matter and determined to resolve this matter pursuant to the following terms:

1. RESPONDENTS agree to CEASE AND DESIST from any and all violations of the Statute and the Regulation; and,

2. RESPONDENTS agree to pay to the Division an ADMINISTRATIVE FINE in the amount of $5,000.00; and,

3. RESPONDENTS agree to pay the Division's ADMINISTRATIVE COSTS in the amount of $3,240.00; and,

4. RESPONDENTS agree to cease and desist from utilizing the name "CCM Lending" or any other name than CITIZENS CHOICE MORTGAGE in conducting its business or advertising its business concerning mortgage brokerage services in Nevada (including identification thereof in any website or social media operated by RESPONDENTS), until pursuant to NAC 645B.035 and NAC 645B.037, a certificate of fictitious name for utilization of that name is issued by the appropriate

county clerk; that the Division has approved use of that name; and that the Division has indicated that name on the license issued by the Division to CITIZENS CHOICE; and,

5. RESPONDENTS agree that each and every designated and approved QE of RESPONDENTS will be present at the licensed office location for which the QE is designated and approved for the majority of the time that such office is open to the public pursuant to NAC 645B.055; and,

6. RESPONDENTS agree to adopt, maintain, follow and enforce written policies and procedures relating to the supervision and training of its mortgage agents (including any designated QE), which must encompass a system to review, oversee and inspect the activities of such agents in accordance with NRS 645B.460; and,

7. RESPONDENTS agree to keep and maintain at each location where the mortgage broker conducts business in Nevada, complete and suitable records detailing financial, payroll, and any other information and records of their mortgage transactions as required under NRS 645B.080(1) and defined under NAC 645B.072, as well as to maintain complete, current, and accurate records as contained in the NMLS, including timely-made MU1-form submissions, disclosures, and disclosure explanations as required to be entered through the NMLS; and,

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

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

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

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The Commissioner making the following FINDINGS and CONCLUSIONS based upon the foregoing and the books and records of the Division:

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

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

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

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

5. RESPONDENTS violated NAC 645B.037(2), NAC 645B.460, and NRS 645B.670(1)(b)(3).

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. RESPONDENTS shall fully comply with all provisions of the Statute and the Regulation and CEASE AND DESIST from any and all violations of the Statute and the Regulation.

2. RESPONDENTS shall pay to the Division an ADMINISTRATIVE FINE in the amount of $5,000.00. The ADMINISTRATIVE FINE shall be due upon RESPONDENTS' execution of the attached VOLUNTARY CONSENT TO ENTRY OF COMMISSIONER'S ORDER and shall be tendered to the Division in accordance with the instructions included in the enclosed invoice.

3. RESPONDENTS shall pay to the Division ADMINISTRATIVE COSTS in the amount of $3,240.00. The ADMINISTRATIVE COSTS shall be due upon RESPONDENTS' execution of the attached VOLUNTARY CONSENT TO ENTRY OF COMMISSIONER'S ORDER and shall be tendered to the Division with the ADMINISTRATIVE FINE described above in accordance with the instructions included in the enclosed invoice.

4. RESPONDENTS shall cease and desist from utilizing the name "CCM Lending" or any other name than CITIZENS CHOICE MORTGAGE in conducting its business or advertising its business concerning mortgage brokerage services in Nevada (including identification thereof in any website or social media operated by RESPONDENTS), until pursuant to NAC 645B.035 and

NAC 645B.037, a certificate of fictitious name for utilization of that name is issued by the appropriate county clerk; that the Division has approved use of that name; and that the Division has indicated that name on the license issued by the Division to CITIZENS CHOICE.

5. RESPONDENTS shall require that each and every designated and approved QE of RESPONDENTS must be present at the licensed office location for which the QE is designated and approved for the majority of the time that such office is open to the public pursuant to NAC 645B.055.

6. RESPONDENTS shall adopt, maintain, follow and enforce written policies and procedures relating to the supervision and training of its mortgage agents (including any designated QE), which must encompass a system to review, oversee and inspect the activities of such agents in accordance with NRS 645B.460.

7. RESPONDENTS shall keep and maintain at each location where the mortgage broker conducts business in Nevada, complete and suitable records detailing financial, payroll, and any other information and records of their mortgage transactions as required under NRS 645B.080(1) and defined under NAC 645B.072, as well as to maintain complete, current, and accurate records as contained in the NMLS, including timely-made MU1-form submissions, disclosures, and disclosure explanations as required to be entered through the NMLS.

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

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

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

IT IS SO ORDERED.

DIVISION OF MORTGAGE LENDING

By: _____
CATHY SHEEHY, COMMISSIONER