

State regulator orders lender to halt actions

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A state mortgage loan regulator on Wednesday ordered Sure Development and Real Estate to stop offering investments in short-term mortgage loans or trust deeds without a license.

Tiffany Walker, chief financial officer for Sure Development, said the company is "proceeding with our defense" but she declined further comment.

Mortgage Lending Commissioner Scott Bice fined the company \$30,000. Bice also cited the company, which has offices at 8960 W. Tropicana Ave., Suite 500, for failing to obtain permission from the Mortgage Lending Division for a newspaper advertisement.

An advertisement that ran in the Friday edition of the Review-Journal fails to identify the company. It promises 15 percent returns on first trust deeds that would be secured by a one-acre residential lot.

Sure Holdings does business as Sure Development and Real Estate, James Fales is listed as registered agent for Sure Holdings, and James Fales Corp. is manager of Sure Development.

Fales held a real estate broker's license from Nevada, but it expired, according to a spokeswoman for the Real Estate Division.

Sure Development is the second private lender cited by the Mortgage Lending Division for alleged violations since the April bankruptcy filing of USA Capital, which had \$962 million in assets. The mortgage lending division drew sharp criticism for failing to discover and stop improper practices at USA Capital before it failed.

Leo Davenport, a licensed private lender at GFD Investments, said the situation at Sure Development appears to be common. Many contractors borrow money from individuals using real estate as collateral, Davenport said.

That practice of contractors may not be legal in some cases, and Davenport said the Legislature should review the law in this regard. Under state law, an individual and spouse may seek a mortgage loan from individuals if the borrowers are persons, not a company or corporation, Davenport said.

In an e-mail, Bice said the exemption does not apply to Sure Development.

"Calls to the company prior to this action indicated that they had many opportunities available and that it was not necessarily their own properties," Bice said.