

Terms Completed

**ORDER SUMMARY – Case Number: C-10-312**

**Name(s):** Home Legal Source APC  
David J Ruyle Jr

**Order Number:** C-10-312-13-CO01

**Effective Date:** February 14, 2013

**License Number:** n/a  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  
 If applicable, you must specifically note the ending dates of terms.

**License Effect:** N/A

**Not Apply Until:** \_\_\_\_\_

**Not Eligible Until:** \_\_\_\_\_

**Prohibition/Ban Until:** 2/14/2018

<b>Investigation Costs</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$4,995	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 2/14/2013
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
	No. of Victims:			

Comments: records retention per CA State Bar guidelines with notice of records location to Director while records are maintained.

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington  
by:

No.: C-10-312-13-CO01

CONSENT ORDER

HOME LEGAL SOURCE, APC, and  
DAVID J. RUYLE JR., President,

Respondents.

COME NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Home Legal Source, APC (Respondent Home Legal Source) and David J. Ruyle, Jr., President (Respondent Ruyle), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**AGREEMENT AND ORDER**

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-10-312-12-SC01 (Statement of Charges), entered December 27, 2012, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges.

1 Based upon the foregoing:

2 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter  
3 of the activities discussed herein.

4 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a  
5 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all  
6 administrative and judicial review of the issues raised in this matter, or of the resolution reached  
7 herein. Accordingly, Respondents, by their signatures below, withdraw their appeal to the Office of  
8 Administrative Hearings.

9 C. **Cease and Desist.** It is AGREED that Respondents will cease and desist engaging in the  
10 business of a mortgage broker or loan originator.

11 D. **Prohibition from Industry.** It is AGREED that, for a period of 5 years from the date of  
12 entry of this Consent Order, Respondents are prohibited from participating, in any capacity, in the  
13 conduct of the affairs of any mortgage broker licensed by the Department or subject to licensure or  
14 regulation by the Department.

15 E. **Declaration of Financial Condition.** It is AGREED that Respondent Ruyle shall provide  
16 the Department with a Declaration comprehensively describing his current financial condition.

17 F. **Restitution.** It is AGREED that, on or before January 31, 2013, Respondents shall pay  
18 restitution to Washington consumers not fully compensated by Respondents. Respondents shall  
19 provide documentation to the Department evidencing restitution to consumer [REDACTED] in the amount of  
20 \$2,000, and to consumer [REDACTED] in the amount of \$2,995.

21 G. **Rights of Non-Parties.** It is AGREED that the Department does not represent or have the  
22 consent of any person or entity not a party to this Consent Order to take any action concerning their  
23 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent

1 Order, this Consent Order does not limit or create any private rights or remedies against Respondents,  
2 limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

3 **H. Change of Address.** It is AGREED that for the duration of the period this Consent Order  
4 is in effect, unless otherwise agreed to in writing by the Department, Respondents shall provide the  
5 Department with a mailing address and telephone number at which Respondents can be contacted and  
6 Respondents shall notify the Department in writing of any changes to their mailing address or  
7 telephone number within fifteen days of any such change.

8 **I. Records Retention.** It is AGREED that Respondent Home Legal Source, its officers,  
9 employees, and agents shall maintain records in compliance with the California State Bar Guidelines  
10 and provide the Director with the location of the books, records and other information relating to  
11 Respondent's mortgage broker business, and the name, address and telephone number of the  
12 individual responsible for maintenance of such records in compliance with the Act.

13 **J. Authority to Execute Order.** It is AGREED that the undersigned have represented and  
14 warranted that they have the full power and right to execute this Consent Order on behalf of the  
15 parties represented.

16 **K. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to  
17 abide by the terms and conditions of this Consent Order may result in further legal action by the  
18 Director. In the event of such legal action, Respondents may be responsible to reimburse the Director  
19 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

20 **L. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily  
21 entered into this Consent Order, which is effective when signed by the Director's designee.

22 **M. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read  
23 this Consent Order in its entirety and fully understand and agree to all of the same.

1 **RESPONDENTS:**

2 **Home Legal Source, APC.**

3 By:

[Redacted]

4 David J. Ruyle, Jr.  
President

Date 2/8/13

6 [Redacted]

7 David J. Ruyle, Jr.  
Individually

Date 2/8/13

9 DO NOT WRITE BELOW THIS LINE

10 THIS ORDER ENTERED THIS 14<sup>th</sup> DAY OF February, 2013



[Redacted signature]

11 DEBORAH BORTNER  
12 Director  
13 Division of Consumer Services  
14 Department of Financial Institutions

15 Presented by:

16 [Redacted]

17 Shana L. Oliver  
18 Financial Legal Examiner

19 Approved by:

20 [Redacted]

21 Charles E. Clark  
22 Enforcement Chief



1 contractual relationship with at least one Washington consumer to provide those services and collected  
2 an advance fee for the provision of those services. The Department has received at least one  
3 complaint from a Washington consumer alleging Respondents provided or offered to provide  
4 residential mortgage loan modification services while not licensed by the Department to provide those  
5 services. A list of Washington consumers with whom Respondents conducted business as a mortgage  
6 broker or loan originator, and the amount paid by each is appended hereto and incorporated herein by  
7 reference.

8 **1.4 Misrepresentations and Omissions.** Respondents represented that they were licensed to  
9 provide the residential mortgage loan modification services or omitted disclosing that they were not  
10 licensed to provide those services. During the relevant time period, Respondent Ruyle represented  
11 that he was licensed to practice law in Washington or omitted disclosing that he was not licensed to  
12 practice law in the State of Washington.

13 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the  
14 Act by Respondents continues to date.

## 15 II. GROUNDS FOR ENTRY OF ORDER

16 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,  
17 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of  
18 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan  
19 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person  
20 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a  
21 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among  
22 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan packages...."

23 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a  
24 natural person who for direct or indirect compensation or gain, or in the expectation of direct or

1 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;  
2 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to  
3 perform any of these activities.

4 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
5 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice  
6 toward any person and obtaining property by fraud or misrepresentation.

7 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
8 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
9 for engaging in the business of a mortgage broker for Washington residents or property without first  
10 obtaining a license to do so.

11 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
12 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
13 for engaging in the business of a loan originator without first obtaining and maintaining a license.

14 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
15 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
16 location that is on file with and readily available to the Department until at least twenty-five months  
17 have elapsed following the effective period to which the books and records relate.

### 18 III. AUTHORITY TO ORDER PRODUCTION OF RECORDS

19 **3.1 Authority to Order Production of Records.** Pursuant to RCW 19.146.223, RCW 19.146.  
20 235(2), and WAC 208-660-520, the Director may issue orders directing any person to produce books,  
21 accounts, records, files, and any other documents the director or designated person deems relevant to  
22 an investigation.

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1 **IV. AUTHORITY TO IMPOSE SANCTIONS**

2 **4.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the  
3 Director may issue orders directing any person subject to the Act to cease and desist from conducting  
4 business.

5 **4.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may  
6 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker  
7 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or  
8 (13), or RCW 19.146.200.

9 **4.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order  
10 restitution against any person subject to the Act for any violation of the Act.

11 **4.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
12 against any person subject to the Act for any violation of the Act.

13 **4.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-  
14 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted  
15 to an investigation of any person subject to the Act.

16 **V. NOTICE OF INTENT TO ENTER ORDER**

17 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
18 set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,  
19 and RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

20 **5.1** Respondents cease and desist engaging in the business of a mortgage broker or loan originator.

21 **5.2** Respondents provide the Department with a list detailing all residential mortgage loan  
22 modification services transactions with Washington consumers, including the name, address,  
23 and phone numbers of the consumers, the transaction date, and fees collected by Respondents  
24 for the provision of those services.

**5.3** Respondents be prohibited from participation in the conduct of the affairs of any mortgage  
broker subject to licensure by the Director, in any manner, for a period of five years.

1 5.4 Respondents jointly and severally pay restitution to the 5 consumers identified by the  
2 Department in paragraph 1.3 as having paid \$16,995<sup>1</sup> to Respondents, and that Respondents  
3 jointly and severally pay restitution to each Washington consumer with whom they entered into  
4 a contract for residential mortgage loan modification services related to real property or  
5 consumers located in the state of Washington equal to the amount collected from that  
6 Washington consumer for those services in an amount to be determined at hearing.

7 5.5 Respondents jointly and severally pay a fine of \$3,000 for each residential loan modification  
8 transaction entered into with Washington consumers. As of the date of this Statement of  
9 Charges, the fine totals \$15,000.

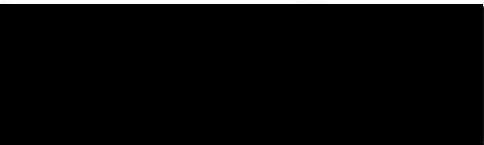
10 5.6 Respondents jointly and severally pay an investigation fee at the rate of \$48.00 per hour. As of  
11 the date of this Statement of Charges, the investigation fee totals \$1,224.

12 5.7 Respondents maintain records in compliance with the Act and provide the Department with the  
13 location of the books, records and other information relating to Respondents' provision of  
14 residential mortgage loan modification services in Washington, and the name, address and  
15 telephone number of the individual responsible for maintenance of such records in compliance  
16 with the Act.

## 17 VI. AUTHORITY AND PROCEDURE

18 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW  
19 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05  
20 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as  
21 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
22 accompanying this Statement of Charges.  
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24 Dated this 27<sup>th</sup> day of September, 2012.

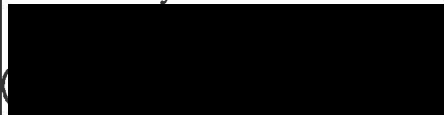


DEBORAH BORTNER  
Director, Division of Consumer Services  
Department of Financial Institutions

<sup>1</sup> Actual amount owed is \$9,495.

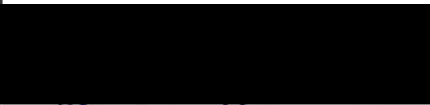
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Presented by:



SHANA L. OLIVER  
Financial Legal Examiner

Approved by:



CHARLES E. CLARK  
Enforcement Chief

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**APPENDIX - RESTITUTION**

<u>Consumer</u>	<u>Amount Paid</u>
[REDACTED]	\$4,500 *
[REDACTED]	\$3,000
[REDACTED]	\$2,995
[REDACTED]	\$3,500
[REDACTED]	\$3,000 *

\*This amount has already been refunded to the consumer pursuant to Respondents' settlement with the California State Bar Association.