

**ORDER SUMMARY – Case Number: C-10-413-12-CO01**

**Name(s):** Bruce Spurlock ; Mortgage Relief, LLC; Mortgage Center Relief;  
Mortgage Relief LLC; INQB8, LLC;  
\_\_\_\_\_  
\_\_\_\_\_

**Order Number:** C-10-413-12-CO01  
\_\_\_\_\_

**Effective Date:** March 19, 2012  
\_\_\_\_\_

**License Number:** DFI: N/A, NMLS: Company #239933  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  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:** N/A  
\_\_\_\_\_

**Not Eligible Until:** N/A  
\_\_\_\_\_

**Prohibition/Ban Until:** March 19, 2022  
\_\_\_\_\_

<b>Investigation Costs</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$0	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: Respondent Spurlock agrees to cooperate with the Department’s case against Respondent Common.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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ENFORCEMENT UNIT  
DIVISION OF CONSUMER SERVICES  
DEPT OF FINANCIAL INSTITUTIONS

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-10-413-12-CO01

CONSENT ORDER

INQB8, LLC,  
MORTGAGE RELIEF, LLC,  
d/b/a DISCOUNT MORTGAGE RELIEF,  
BRUCE SPURLOCK, Member,  
LIBBY MUELHAUPT, Member, and  
JOHN COMMON, COO,

INQB8, LLC,  
MORTGAGE RELIEF, LLC,  
d/b/a DISCOUNT MORTGAGE RELIEF, and  
BRUCE SPURLOCK

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and INQB8, LLC (Respondent INQB8), Mortgage Relief, LLC d/b/a Discount Mortgage Relief (Respondent Mortgage Relief), and Bruce Spurlock, Member (Respondent Spurlock), and finding that the issues raised in the above-captioned matter, solely as they relate to Respondents INQB8, Mortgage Relief, and Spurlock, 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 INQB8, Mortgage Relief, and Spurlock have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-10-413-11-SC01 (Statement of Charges), entered November 17, 2011 (copy attached hereto), solely as they relate to Respondents INQB8, Mortgage Relief, and Spurlock. Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondents INQB8, Mortgage Relief,

CONSENT ORDER  
C-10-413-12-CO01  
INQB8, LLC  
Mortgage Relief, LLC  
d/b/a Discount Mortgage Relief

1

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902.8703

1 and Spurlock hereby agree to the Department's entry of this Consent Order and further agree that the  
2 issues raised in the above-captioned matter, solely as they relate to Respondents INQB8, Mortgage  
3 Relief, and Spurlock, may be economically and efficiently settled by entry of this Consent Order.  
4 The parties intend this Consent Order to fully resolve the Statement of Charges. Respondents  
5 INQB8, Mortgage Relief, and Spurlock are agreeing not to contest the Statement of Charges in  
6 consideration of the terms of this Consent Order.

7 Based upon the foregoing:

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

10 **B. Waiver of Hearing.** It is AGREED that Respondents INQB8, Mortgage Relief, and  
11 Spurlock have been informed of the right to a hearing before an administrative law judge, and hereby  
12 waive their right to a hearing and any and all administrative and judicial review of the issues raised in  
13 this matter, or of the resolution reached herein. Accordingly, Respondents INQB8, Mortgage Relief,  
14 and Spurlock, by the signatures of their representatives below, withdraw their appeal to the Office of  
15 Administrative Hearings.

16 **C. Prohibition from Industry.** It is AGREED that for a period of 10 years from the date of  
17 entry of this Consent Order, Respondents INQB8, Mortgage Relief, and Spurlock are prohibited from  
18 participating in the conduct of the affairs of any mortgage broker or consumer loan company licensed  
19 by the Department or subject to licensure or regulation by the Department, in any capacity, including  
20 but not limited to: (1) any financial capacity whether active or passive; or (2) as an officer, director,  
21 principal, partner, LLC member, designated broker, employee, or loan originator; or (3) any  
22 management, control, oversight or maintenance of any trust account(s) in any way related to any  
23 residential transaction; or (4) receiving, disbursing, managing or controlling in any way, consumer  
24 trust funds in any way related to any residential mortgage transaction.

1           **D. Representations as to Responsibility and Financial Condition.** It is AGREED that the  
2 terms of this Consent Order are based, in part, upon Respondent Spurlock's representations that his  
3 own involvement in the operation of INQB8, LLC and Mortgage Relief, LLC d/b/a Discount  
4 Mortgage Relief was limited and did not include operation of the loan modification activities; that  
5 Respondent Common was in charge of all loan modification activities; that Respondent Common  
6 embezzled substantial funds from INQB8, LLC and Mortgage Relief, LLC d/b/a Discount Mortgage  
7 Relief; and that as a result of Respondent Common's mismanagement and embezzlement  
8 Respondents INQB8, LLC, Mortgage Relief, LLC d/b/a Discount Mortgage Relief, and Spurlock  
9 have been compelled to file for Chapter 7 bankruptcy protection and are financially unable to pay  
10 any fine, fees, or restitution.

11           **E. Complete Cooperation with the Department.** It is AGREED that, upon written request  
12 by the Department, Respondents INQB8, Mortgage Relief, and Spurlock shall cooperate fully,  
13 truthfully, and completely with the Department and provide any and all information known to them  
14 relating in any manner to Respondent John Common (Respondent Common) and his activities  
15 related to the operation of INQB8, LLC and Mortgage Relief, LLC d/b/a Discount Mortgage Relief,  
16 including, but not limited to, employees, independent contractors, agents, businesses, and persons  
17 with whom Respondent Common dealt, communicated, or otherwise related. It is further AGREED  
18 that, upon written request by the Department, Respondents INQB8, Mortgage Relief, and Spurlock  
19 shall provide any and all documents, writings or materials, or objects or things of any kind in their  
20 possession or under their care, custody, or control that they are authorized to possess, obtain, or  
21 distribute relating directly or indirectly to all areas of inquiry and investigation. It is further  
22 AGREED that Respondents INQB8, Mortgage Relief, and Spurlock shall testify fully, truthfully, and  
23 completely at any and all proceedings related to any Department investigation or enforcement action

1 or both related to any and all persons involved or in any way associated with Respondent Common.  
2 A failure to cooperate fully, truthfully, and completely is a breach of this Consent Order.

3 **F. 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 INQB8, Mortgage  
5 Relief, and Spurlock shall provide the Department with a mailing address and telephone number at  
6 which they can be contacted, and shall notify the Department in writing of any changes to their  
7 mailing address or telephone number within 15 days of any such change.

8 **G. Records Retention.** It is AGREED that Respondents INQB8, Mortgage Relief, and  
9 Spurlock shall maintain all Washington records in their possession in compliance with the Act and  
10 provide the Director with the location of the books, records and other information relating to INQB8,  
11 LLC and Mortgage Relief, LLC d/b/a Discount Mortgage Relief..

12 **H. Authority to Execute Order.** It is AGREED that Respondent Spurlock has represented  
13 and warranted that he has the full power and right to execute this Consent Order on behalf of  
14 Respondents INQB8 and Mortgage Relief.

15 **I. Non-Compliance with Order.** It is AGREED that Respondents INQB8, Mortgage  
16 Relief, and Spurlock understand that failure to abide by the terms and conditions of this Consent  
17 Order may result in further legal action by the Director. In the event of such legal action,  
18 Respondents INQB8, Mortgage Relief, and Spurlock may be responsible to reimburse the Director  
19 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

20 **J. Voluntarily Entered.** It is AGREED that Respondents INQB8, Mortgage Relief, and  
21 Spurlock have voluntarily entered into this Consent Order, which is effective when signed by the  
22 Director's designee.

1           **K. Completely Read, Understood, and Agreed.** It is AGREED that Respondent Spurlock  
2 has read this Consent Order in its entirety and fully understands and agrees to all of the same on  
3 behalf of himself and Respondents INQB8 and Mortgage Relief.

4           **RESPONDENTS:**

5           **INQB8, LLC**

6           By:

7 [Redacted Signature]

8           Bruce Spurlock  
9           Member

3-8-2012

Date

10           **Mortgage Relief, LLC**  
11           **d/b/a Discount Mortgage Relief**

12 [Redacted Signature]

13           Bruce Spurlock  
14           Member

3-8-2012

Date

15           Bruce Spurlock  
16           Individually

3-8-2012

Date

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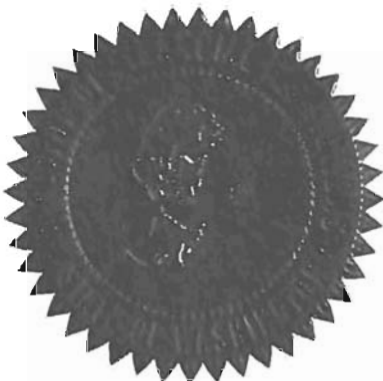
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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 19<sup>th</sup> DAY OF MARCH, 2012



DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:



STEVEN C. SHERMAN  
Financial Legal Examiner

Approved by:



JAMES R. BRUSSELBACK  
Enforcement Chief

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **DIVISION OF CONSUMER SERVICES**

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

5 INQB8, LLC,  
6 MORTGAGE RELIEF, LLC,  
d/b/a DISCOUNT MORTGAGE RELIEF,  
7 BRUCE SPURLOCK, Member,  
LIBBY MUELHAUPT, Member, and  
8 JOHN COMMON, COO,

Respondents.

No. C-10-413-11-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO PROHIBIT FROM INDUSTRY,  
ORDER RESTITUTION, IMPOSE FINE,  
AND COLLECT INVESTIGATION FEE

9 **INTRODUCTION**

10 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of  
11 Financial Institutions of the State of Washington (Director) is responsible for the administration of  
12 chapter 19.146 RCW, the Mortgage Broker Practices (Act). After having conducted an investigation  
13 pursuant to RCW 19.146.235, and based upon the facts available as of date of this Statement of  
14 Charges, the Director, through his designee, Division of Consumer Services Director Deborah  
15 Bortner, institutes this proceeding and finds as follows:

16 **I. FACTUAL ALLEGATIONS**

17 **1.1 Respondents.**

18 **A. INQB8, LLC (INQB8)** has never been licensed by the Department of Financial  
19 Institutions of the State of Washington (Department) to conduct business as a mortgage broker or for  
20 any other purpose. Respondent INQB8 is known to be the parent corporation and sole member of  
21 Mortgage Relief, LLC.  
22



1           **B. Mortgage Relief, LLC (Mortgage Relief)** has never been licensed by the Department  
2 of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage  
3 broker or for any other purpose. Respondent Mortgage Relief is known to operate under the trade  
4 name Discount Mortgage Relief.

5           **C. Bruce Spurlock (Spurlock)** is one of two Members of Respondent INQB8.  
6 Respondent Spurlock has never been licensed by the Department for any purpose.

7           **D. Libby Muelhaupt (Muelhaupt)** is one of two Members of Respondent INQB8.  
8 Respondent Muelhaupt has never been licensed by the Department for any purpose.

9           **E. John Common (Common)** is Chief Operating Officer for Respondents INQB8 and  
10 Mortgage Relief. Respondent Common has never been licensed by the Department for any purpose.

11 **1.2 Unlicensed Activity.** Between at least September 29, 2009, and May 12, 2010, Respondents  
12 assisted, attempted to assist, or held themselves out as able to assist at least seven Washington  
13 consumers with residential mortgage loan modifications. Four of the Washington consumers paid  
14 fees totaling \$8,447 to Respondents as follows:

<u>Borrower</u>	<u>Fee Paid</u>
R.S.	\$1,000
S.P.	\$2,800
M.S.	\$1,947
M.M.	\$2,700

18 None of these borrowers received residential mortgage loan modifications.

19 **1.3 Failure to Comply with Director's Authority.** On or about May 6, 2010, the Department  
20 issued a Directive to Respondent Mortgage Relief under Complaint 35013 requiring Respondent  
21 Mortgage Relief to provide certain information and documents more specifically set forth therein to  
22 the Department by May 21, 2010. The Directive was served by First-Class mail on attorney Eric  
23

1 Hitchcock in his capacity as Registered Agent for Respondent Mortgage Relief. On or about May  
2 10, 2010, Mr. Hitchcock acknowledged that he had received the Directive and forwarded it to  
3 Respondent Mortgage Relief. The information and documents required by the Directive were not  
4 provided by the due date, nor have they been provided as of the date of this Statement of Charges.

5 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the  
6 Act by Respondents continues to date.

## 7 **II. GROUNDS FOR ENTRY OF ORDER**

8 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,  
9 "Mortgage broker" means any person who, for compensation or gain, or in the expectation of  
10 compensation or gain assists a person or holds himself or herself out as being able to assist a person  
11 by, among other things, counseling on loan terms such as rates, fees, and costs related to a residential  
12 mortgage loan.

13 **2.2 Definition of Residential Mortgage Loan Modification.** Pursuant to RCW 19.146.010(20)  
14 and WAC 208-660-006, "Residential mortgage loan modification" means a change in one or more of  
15 a residential mortgage loan's terms or conditions. Changes to a residential mortgage loan's terms or  
16 conditions include but are not limited to forbearances; repayment plans; changes in interest rates, loan  
17 terms, or loan types; capitalization of arrearages; or principal reductions.

18 **2.3 Definition of Residential Mortgage Loan Modification Services.** Pursuant to RCW  
19 19.146.010(21) and WAC 208-660-006, "Residential mortgage loan modification services" includes  
20 negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to  
21 perform a residential mortgage loan modification. "Residential mortgage loan modification services"  
22 also includes the collection of data for submission to any entity performing mortgage loan  
23 modification services.

1 **2.4 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
2 are in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a  
3 scheme, device or artifice to defraud or mislead borrowers or lenders or any person, engaging in an  
4 unfair or deceptive practice toward any person, and obtaining property by fraud or misrepresentation.

5 **2.5 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
6 Allegations set forth in Section I above, Respondents are is in apparent violation of RCW  
7 19.146.200(1) and WAC 208-660-155 for engaging in the business of a mortgage broker without first  
8 obtaining and maintaining a license under the Act.

9 **2.6 Requirement to Comply with Director's Authority.** Based on the Factual Allegations set  
10 forth in Section I above, Respondents are is in apparent violation of RCW 19.146.235 for failing to  
11 comply with a Directive issued by the Director.

### 12 III. AUTHORITY TO IMPOSE SANCTIONS

13 **3.1 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may  
14 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker,  
15 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9)  
16 or RCW 19.146.200, or failure to comply with any directive or order of the Director.

17 **3.2 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order  
18 restitution against any persons subject to the Act for any violation of the Act.

19 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
20 against any persons subject to the Act for failure to comply with any directive or any other violation  
21 of the Act.

22 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-  
23 520(9) & (11), and WAC 208-660-550(4)(a), the Department may collect the costs of investigation.

1 The Department will charge \$48 per hour for an examiner's time devoted to an investigation of any  
2 person subject to the Act.

#### 3 **IV. NOTICE OF INTENTION TO ENTER ORDER**

4 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,  
5 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
6 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and  
7 RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

8 **4.1** Respondents INQB8, LLC, Mortgage Relief, LLC d/b/a Discount Mortgage Relief, Bruce  
9 Spurlock, Libby Muelhaupt, and John Common be prohibited from participation in the  
10 conduct of the affairs of any mortgage broker subject to licensure by the Director, in any  
11 manner, for a period of five years.

12 **4.2** Respondents INQB8, LLC, Mortgage Relief, LLC d/b/a Discount Mortgage Relief, Bruce  
13 Spurlock, Libby Muelhaupt, and John Common jointly and severally pay a fine which as of  
14 the date of this Statement of Charges totals \$35,000.

15 **4.3** Respondents INQB8, LLC, Mortgage Relief, LLC d/b/a Discount Mortgage Relief, Bruce  
16 Spurlock, Libby Muelhaupt, and John Common jointly and severally pay restitution totaling  
17 \$8,447 to the four borrowers identified in paragraph 1.2 of this Statement of Charges.

18 **4.4** Respondents INQB8, LLC, Mortgage Relief, LLC d/b/a Discount Mortgage Relief, Bruce  
19 Spurlock, Libby Muelhaupt, and John Common jointly and severally pay an investigation fee  
20 which as of the date of this Statement of Charges totals \$1,401.60.

21 **4.5** Respondents INQB8, LLC, Mortgage Relief, LLC d/b/a Discount Mortgage Relief, Bruce  
22 Spurlock, and Libby Muelhaupt maintain records in compliance with the Act and provide the  
23 Department with the location of the books, records and other information relating to  
24 Respondents INQB8, LLC, Mortgage Relief, LLC d/b/a Discount Mortgage Relief, Bruce  
Spurlock, and Libby Muelhaupt's mortgage broker business, and the name, address, and  
telephone number of the individual responsible for maintenance of such records in  
compliance with the Act.

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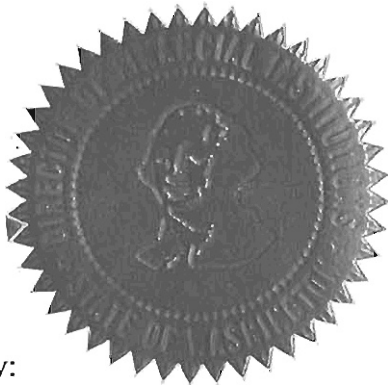
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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW  
3 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter  
4 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a  
5 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR  
6 HEARING accompanying this Statement of Charges.

7  
8 Dated this 17<sup>th</sup> day of November, 2011.



9 [Redacted Signature]

10 DEBORAH BÖRTNER  
11 Director  
12 Division of Consumer Services  
13 Department of Financial Institutions

14 Presented by:

15 [Redacted Signature]

16 STEVEN C. SHERMAN  
17 Financial Legal Examiner

18 Approved by:

19 [Redacted Signature]

20 JAMES R. BRUSSELBACK  
21 Enforcement Chief