

## ORDER SUMMARY – Case Number: C-10-413

Name(s): John Common

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Order Number: C-10-413-12-FO01

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Effective Date: February 28, 2012

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License Number: [NMLS 910571]

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)  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

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Not Apply Until: N/A

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Not Eligible Until: N/A

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Prohibition/Ban Until: February 28, 2017

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<b>Investigation Costs</b>	\$1,401.60	Due: 30 days	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$35,000	Due: 30 days	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due:	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$8,447	Due:30 days	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<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 N/A			
No. of Victims:	4			

Comments:

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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:

No.: C-10-413-12-FO01

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

FINAL ORDER  
JOHN COMMON

8 Respondents.

9 I. DIRECTOR'S CONSIDERATION

10 A. Default. This matter has come before the Director of the Department of Financial  
11 Institutions of the State of Washington (Director), through his designee, Consumer Services Division  
12 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On November 17,  
13 2011, the Director, through the Director's designee, issued a Statement of Charges and Notice of  
14 Intention to Enter an Order to Prohibit from Industry, Order Restitution, Impose Fine, and Collect  
15 Investigation Fee (Statement of Charges) against John Common (Respondent). A copy of the Statement  
16 of Charges is attached and incorporated into this order by this reference. The Statement of Charges was  
17 accompanied by a cover letter dated November 17, 2012, a Notice of Opportunity to Defend and  
18 Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent Common  
19 (collectively, accompanying documents).

20 On December 14, 2011, the Department served Respondent Common with the Statement of  
21 Charges and accompanying documents by First-Class Mail. The documents sent by First-Class mail  
22 were not returned to the Department by the United States Postal Service as undeliverable. On December  
23 31, 2011, the Department had Respondent Common personally served with the Statement of Charges and  
24 accompanying documents by ABC Legal Services.

FINAL ORDER  
C-10-413-12-FO01  
JOHN COMMON

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

1 Respondent Common did not request an adjudicative hearing within 20 calendar days after the  
2 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for in  
3 WAC 208-08-050(2).

4 B. Record Presented. The record presented to the Director's designee for her review and for  
5 entry of a final decision included the Statement of Charges, cover letter dated November 17, 2011,  
6 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative  
7 Hearing for Respondent, with documentation for service.

8 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the Director's  
9 designee hereby adopts the Statement of Charges, which is attached hereto.

## 10 II. FINAL ORDER

11 Based upon the foregoing, and the Director's designee having considered the record and being  
12 otherwise fully advised, NOW, THEREFORE:

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent John Common is prohibited from participation in the conduct of the  
15 affairs of any mortgage broker subject to licensure by the Director, in any manner, for  
16 a period of five years.
- 17 2. Respondent John Common pay a fine in the amount of \$35,000.
- 18 3. Respondent John Common pay restitution totaling \$8,447 to the four borrowers  
19 identified in paragraph 1.2 of the Statement of Charges.
- 20 4. Respondent John Common pay an investigation fee in the amount of \$1,401.60.

21 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent Common has the right to file a  
22 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
23 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150  
24 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
2 Reconsideration a prerequisite for seeking judicial review in this matter.

3 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date  
4 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written  
5 notice specifying the date by which it will act on a petition.

6 C. Stay of Order. The Director's designee has determined not to consider a Petition to Stay  
7 the effectiveness of this order. Any such requests should be made in connection with a Petition for  
8 Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

9 D. Judicial Review. Respondent Common has the right to petition the superior court for  
10 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements  
11 for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

12 E. Non-compliance with Order. If you do not comply with the terms of this order, the  
13 Department may seek its enforcement by the Office of the Attorney General to include the collection of  
14 the fine, fee, and restitution imposed herein. The Department also may assign the amounts owed to a  
15 collection agency for collection.

16 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial  
17 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service attached  
18 hereto.

19 DATED this 28<sup>th</sup> day of February, 2012



20 STATE OF WASHINGTON  
21 DEPARTMENT OF FINANCIAL INSTITUTIONS

22 [Redacted Signature]  
23 DEBORAH BÖRTNER  
24 Director  
Division of Consumer Services

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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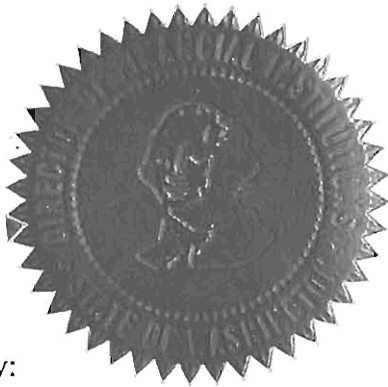
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1 **V. AUTHORITY AND PROCEDURE**

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 BORTNER  
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