

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
ENFORCEMENT SECTION**

**BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES**

M-10-0005

In the Matter of:

Julian James Ruiz III

Respondent.

**ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PENALTIES,
ORDER PROHIBITING EMPLOYMENT
IN THE MORTGAGE LENDING
INDUSTRY, ORDER DENYING
EXEMPTIONS FROM SECURITIES
REGISTRATION
AND
CONSENT TO ENTRY OF ORDER**

WHEREAS, The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of Julian James Ruiz III and determined that Julian James Ruiz III engaged in activities constituting violations of Chapter 86A.100 et. seq., previously 59.840 et. seq., of the Oregon Revised Statutes (hereinafter cited as “the Oregon Mortgage Lender Law”); and

WHEREAS, Julian James Ruiz III wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order, Julian James Ruiz III hereby **CONSENTS** to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law as stated hereafter.

FINDINGS OF FACT

1. The Director’s records list that Julian James Ruiz III (Ruiz) worked as a loan originator

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





1 for Oregon mortgage broker Meridian Mortgage Inc. from October 23, 2002 until July 6, 2005.
2 From July 6, 2005 until May 14, 2009, Ruiz was listed as a loan originator for Oregon mortgage
3 broker America One Finance. From March 11, 2006 until April 25, 2006, Ruiz was listed as a
4 loan originator for Oregon mortgage broker Broadway Financial. From April 9, 2009 until
5 September 25, 2009, Ruiz was listed as a loan originator for UMAX Capital Corp Salem, Oregon
6 branch located at 3000 Market Street Northeast #150.¹

7 2. Ruiz's residence is listed as 1231 Ridgeport Drive, Keizer, Oregon 97303.

8 3. In February 2006, Ruiz asked a former client (hereinafter "Former Client One") to
9 agree to take part in a fraudulent sale of Ruiz's house located at 951 Camelot Drive South,
10 Salem, Oregon 97306. Ruiz sold his house to Former Client One, and Ruiz used Former Client
11 One's personal information to apply for a mortgage loan for the house. Ruiz submitted, or
12 caused the application containing Former Client One's personal identification, to be submitted to
13 the lender, and the loan funded.

14 4. Through this sale, Ruiz caused equity to be stripped from the house, and the house
15 later went through foreclosure.

16 5. In September 2006, a former client of Ruiz's (hereinafter "Former Client
17 Two") applied for a mortgage loan using false employment information. Former Client Two
18 listed that he was employed by Withnell Motors after he was no longer employed there. The
19 telephone number Former Client Two listed on the application for Withnell Motors was Ruiz's
20 telephone number. The application was submitted to the lender, and the loan funded.

21 6. In January 2008, Ruiz applied for, or caused the application for, a mortgage loan using
22

23
24 ¹ The Director's records are based upon the information submitted by the Oregon
25 mortgage brokers.



1 the name and personal information of a former client (hereinafter “Former Client Three”) for the
2 purchase of a house located at 3736 Ilahe Hill Road South, Salem, Oregon. Ruiz submitted, or
3 caused the application containing Former Client Three’s name and personal information to be
4 submitted to the lender, and the loan funded. Ruiz lived in the house.

5 7. Former Client Three was unaware of this transaction. The house is currently in
6 foreclosure.

7 8. On September 24, 2009, a Marion County Grand Jury indicted Ruiz on 17 charges,
8 including 4 counts of Aggravated Theft I, 6 counts of Mortgage Fraud, 4 counts of Aggravated
9 Identity Theft, 2 counts of Identity Theft, 1 count of Forgery I and 2 counts of Criminal
10 Possession of a Forged Instrument.

11 9. On December 15, 2009, a Marion County Grand Jury indicted Ruiz on 18 charges,
12 including 6 Forgery I counts, 6 Criminal Possession of a Forged Instrument I counts, 3 counts of
13 Oregon Personal Income Tax Evasion, and six Mortgage Rescue Fraud Protection Act charges.

14 10. On March 19, 2010 Ruiz will plead guilty to two counts of Aggravated Theft I
15 (felony), 1 count of Aggravated Identity Theft (felony), 1 count of Identity Theft I (felony), 1
16 count Mortgage Fraud (felony), 1 count Forgery I (felony), 1 count Oregon Income Tax Evasion
17 and 1 count House Bill 3630 (misdemeanor).

18 11. These charges involve Ruiz’s conduct in connection with Former Clients One, Two,
19 and Three.

20 CONCLUSIONS OF LAW

21 The Director **CONCLUDES** that:

22 1. On two occasions, Ruiz violated ORS 86A.154(2),(3), previously ORS 59.930(2),(3)
23 by engaging in fraud by applying for and obtaining a mortgage loan by knowingly using untrue
24 information, specifically the personal identification of another individual (Former Client One and
25 Former Client Three) to personally secure financing from lenders.

26 2. Ruiz violated ORS 86A.154(2), previously ORS 59.930(2), by assisting Former Client
Page 3/6— M-10-0005 Julian Ruiz ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTIES,
ORDER PROHIBITING EMPLOYMENT IN THE MORTGAGE LENDING INDUSTRY, ORDER DENYING EXEMPTIONS
FROM SECURITIES REGISTRATION AND CONSENT TO ENTRY OF ORDER



1 Two in the application and obtaining of a mortgage loan using untrue employment and contact
2 information.

3 3. Ruiz's guilty pleas to felony crimes Aggravated Theft I, Aggravated Identity Theft,
4 Identity Theft I, Mortgage Fraud, Forgery I, Criminal Possession of a Forged Instrument I and
5 Oregon Income Tax Evasion constitute prohibited conduct under ORS 86A.183(2) previously
6 ORS 59.971(2).

7 4. Conclusions of Law 1, 2, and 3 constitute grounds under ORS 86A.187(5)(c),
8 previously, ORS 59.973(2) for the Director to permanently prohibit Ruiz from employment as a
9 loan originator with a mortgage broker.

10 ORDER

11 The Director, pursuant to ORS 86A.127, previously ORS 59.885(4), hereby **ORDERS**
12 that Julian James Ruiz III will **CEASE AND DESIST** from violating any provision of the
13 Oregon Mortgage Lender Law, OAR 441-850-0005 through OAR 441-885-0010 and any rule,
14 order or policy issued by the Division.

15 1. Ruiz is permanently **BARRED** and otherwise prohibited from, directly or
16 indirectly:

- 17 a. Acting as a loan originator, as that term is defined in ORS 86A.100(4),
18 previously ORS 59.840(4), or loan processor;
- 19 b. Owning or operating as a mortgage banker or mortgage broker, as those terms
20 are defined in ORS 86A.100(5) and (7), previously ORS 59.840(5) and (7)
21 respectively;
- 22 c. Acting as a partner, officer, director, or experienced person as described in
23 ORS 86A.106, previously ORS 59.850(2), or occupying similar status or
24 performing similar functions of a partner, officer, director, or experienced
25 person for a mortgage banker or broker.

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 d. Acting as an agent or facilitator, as those terms are used in ORS 725.610, for
2 the purpose of making a payday or title loan, as those terms are defined in
3 ORS 725.600(3) and (4) respectively.

4 Ruiz is permanently **DENIED** the use of securities registration and transaction
5 exemptions that would otherwise be available under ORS 59.045;

6 The Director, pursuant to **ORS 86A.992 and ORS 86A.118**, previously ORS 59.996 and
7 ORS 59.870, hereby **ORDERS** Ruiz to pay the State of Oregon a civil penalty of \$15,000. The
8 assessed civil penalty is based upon \$5,000 each for three violations of ORS 86A.154, previously
9 ORS 59.930.

10 To ensure that investors receive restitution commensurate with their losses, the Director
11 elects to **SUSPEND** this Civil Penalty so long as Ruiz complies with the Marion County Circuit
12 Court's Restitution Order in case numbers 09C48335, 09C51758 and 09C51759, the terms of
13 this order, and does not violate the Oregon Mortgage Lender Law. If the Director determines
14 that Ruiz is not complying with the Court's Restitution Order, the terms of this order, or violates
15 the Oregon Mortgage Lender Law, the Civil Penalty shall become immediately due and owing in
16 its entirety.

17 The entry of this Order in no way limits further remedies which may be available to the Director
18 under the Oregon Law.

19
20 Dated this 25th day of March, 2010, at Salem, Oregon.

21 CORY STREISINGER, Director
22 Department of Consumer and Business Services

23 /s/ David Tatman
24 David Tatman, Administrator
25 Division of Finance and Corporate Securities

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CONSENT TO ENTRY OF ORDER

I, Julian James Ruiz III, state that I am a resident of the State of Oregon, that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law or the Oregon Mortgage Lender Law by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

Dated this 19 day of March, 2010.

/s/ Julian James Ruiz III
Julian James Ruiz III

Approved as to form:

/s/ Paul Ferder

3-19-2010

Attorney for Respondent

Date

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

