

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

In the Matter of

Case No. DM-15-0114

SANTANDER CAPITAL GROUP,
INC., dba SANTANDER FINANCIAL
CONSULTANTS; REAL MORTGAGE
HELP CENTER; and JUAN CARLOS
RUIZ;

FINAL ORDER TO CEASE AND
DESIST, AND ASSESSING CIVIL
PENALTIES AND RESTITUTION,
ENTERED BY DEFAULT

Respondents.

On September 21, 2015, the Director of the State of Oregon, Department of Consumer and Business Services (the “*Director*”), acting under the authority of the Oregon statutes regulating debt management service providers, Oregon Revised Statutes (“*ORS*”) 697.602 to 697.842, the Oregon Mortgage Lender Law, ORS 86A.095 to 86A.198, the Oregon statutes regulating mortgage loan originators, ORS 86A.200 to 86A.239, and the administrative rules promulgated under such chapters, issued Administrative Order No. DM-15-0114, ORDER TO CEASE AND DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTIES, PROPOSED ORDER OF RESTITUTION, AND NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING (the “*Notice Order*”) against Respondents Santander Capital Group, Inc., dba Santander Financial Consultants, Real Mortgage Help Center, and Juan Carlos Ruiz (collectively “*Respondents*”).

On September 21, 2015 the Notice Order was served on Respondents by certified United States Mail, postage prepaid, to the following addresses:

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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 A. Santander Capital Group, Inc., dba Santander Financial Consultants
2 (“*Santander*”) to 1777 W. Lincoln Ave., Anaheim, CA 92801 (Article No.
3 7014 2870 0001 3527 8425), the registered agent and purported business
4 address of Santander;

5 B. Real Mortgage Help Center (“*Real Mortgage*”) to 1777 W. Lincoln Ave.,
6 Anaheim, CA 92801 (Article No. 7014 2870 0001 3527 8432), the registered
7 agent and purported business address of Real Mortgage; and

8 C. Juan Carlos Ruiz (“*Ruiz*”) to 24023 Meadow Falls Dr., Diamond Bar, CA
9 91765 (Article No. 7014 2870 0001 3527 8449), the most recent address
10 identified for Ruiz.

11 On September 21, 2015, the Notice Order was also sent to Respondents by first
12 class mail to the addresses noted above, and by electronic mail, to the following
13 electronic mail addresses: (1) to Santander at info@santandercg.com, and; (2) to Ruiz at
14 jruiz@santandercg.com.

15 On September 21, 2015, via hand delivery, the Oregon Department of Consumer
16 and Business Services, Division of Finance and Corporate Securities (the “*Division*”)
17 also served the Notice Order on the Oregon Secretary of State, Corporations Division,
18 pursuant to ORS 60.731(2)(c) and (e), as Santander and Real Mortgage purport to operate
19 out of offices located in California, and have been and/or are engaged in the unauthorized
20 transaction of business in Oregon.

21 In accordance with OAR 137-003-0075, the Notice Order designated the file of
22 the Division, including all materials submitted by Respondents, as the record for the
23 purpose of making a prima facie case in the event that the Director entered a final order
24 against Respondents by default.

25 Respondents did not timely or properly request a hearing.

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1 Now, therefore, after consideration of the record, the Director issues the following
2 Findings of Fact, Conclusions of Law, and Final Order.

3 **FINDINGS OF FACT**

4 The Director FINDS that:

5 1. On or around July 6, 2009, Santander Capital Group, Inc. registered as a
6 California corporation (Entity No. C3119988), with a principal place of business located
7 at 1777 W. Lincoln Ave., Anaheim, CA 92801. Juan Carlos Ruiz (“**Ruiz**”) is identified as
8 the Registered Agent for Santander Capital Group, Inc.

9 2. According to the California Secretary of State (“**SOS**”) records, as of
10 September 9, 2015, Santander Capital Group, Inc.’s registration was suspended by the
11 California Franchise Tax Board for failure to meet tax requirements. Upon information
12 and belief, despite its registration suspension, Santander Capital Group, Inc. continues to
13 operate and conduct business activities in California and elsewhere.

14 3. Upon information and belief, Santander Capital Group, Inc. is doing business
15 as Santander Financial Consultants (hereinafter collectively “**Santander**”).

16 4. Based on a search of the California SOS records, as of September 9, 2015
17 Santander Financial Consultants is not, and has not previously been, registered with the
18 California SOS as a domestic or foreign entity or assumed business name. Upon
19 information and belief, Santander Financial Consultants maintains a principal place of
20 business located at 1777 W. Lincoln Ave., Anaheim, CA 92801.

21 5. On or around April 27, 2012, Real Mortgage Help Center (“**Real Mortgage**”)
22 registered as a California corporation (Entity No. C3471560), with a principal place of
23 business located at 1777 W. Lincoln Ave., Anaheim, CA 92801 Ruiz is identified as the
24 Registered Agent for Real Mortgage.

25 6. According to the California SOS records, as of September 9, 2015, Real
26 Mortgage’s registration was suspended by the California Franchise Tax Board for failure

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1 to meet tax requirements. Upon information and belief, despite its registration
2 suspension, Real Mortgage continued to operate and conduct business activities in
3 California and elsewhere.

4 7. Upon information and belief, Santander receives and processes applications
5 and agreements from consumers for the provision of debt management services, provides
6 financial consulting to such consumers, and refers consumers to Real Mortgage for
7 further assistance as necessary. Santander and Real Mortgage (collectively the
8 “*Companies*”) are affiliated companies with a common business address, and for
9 purposes of the provision of services to Oregon consumers, are one in the same.

10 8. Upon information and belief, Ruiz is a California resident, and is or was, at
11 times relevant to this order, an owner and/or control person of the Companies and
12 directly engaged in business activities involving Oregon consumers and Oregon real
13 property.

14 9. The Companies are not and never have been registered with the Oregon
15 Secretary of State to conduct business in Oregon.

16 10. The Companies and Ruiz (collectively “*Respondents*”) are not and never have
17 been registered with the Oregon Division of Finance and Corporate Securities (the
18 “*Division*”) to provide “debt management services” in Oregon, as that term is defined in
19 ORS 697.602(2)(c).

20 11. At no time material to this order did Respondents file a surety bond with the
21 Director to engage in debt management services in Oregon.

22 12. Respondents are not and never have been licensed with the Division to engage
23 in “residential mortgage transactions” as “mortgage brokers,” as those terms are defined
24 in ORS 86A.100.

25 13. Ruiz is not and has never been licensed with the Division to engage in
26 business as a “mortgage loan originator,” as that term is defined in ORS 86A.200.



1 **I. The Solicitation**

2 14. In 2007, Respondents delivered a written solicitation to Oregon residents,
3 including, but not limited to, the consumers discussed below, via a mailing to their
4 personal residences, wherein Respondents offered, for a fee, to negotiate a modification
5 of the recipient’s residential mortgage loan with his or her lender, including, but not
6 limited to, a reduction in the principal, interest, penalties or fees associated with the loan,
7 thereby reducing the mortgage loan by 20-30% (the “*Solicitation*”).

8 15. The Solicitation stated that the offer to modify the recipient’s loan would
9 expire in 30 days, and included a phone number for the recipient to call, but did not
10 provide a mailing address or any other contact information for Respondents.

11 **II. The Consumers**

12 16. At all times material to this order, the consumers identified herein as “*RG*”
13 and “*ES*” were Oregon residents and were parties to two separate residential mortgage
14 loans secured by real estate located in Salem, Oregon.

15 17. In 2014, following delivery of the above-described Solicitation, Respondents
16 offered, for a fee, to provide services to RG and ES (collectively the “*Consumers*”),
17 including, but not limited to:

- 18 A. Negotiating a modification of the Consumers’ residential mortgage loans
19 with their lenders including, but not limited to, a reduction in the principal,
20 interest, penalties or fees associated with the loan;
- 21 B. Providing credit and debt counseling;
- 22 C. Providing financial educational seminars and materials; and
- 23 D. Providing foreclosure prevention assistance.

24 18. Respondents solicited and received a completed application from the
25 Consumers for purposes of providing the above-described services.

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1 19. In June 2014 and July 2014, RG and ES, respectively, signed an agreement
2 with Respondents for the above-described services, under the terms of which RG and ES
3 were to each pay a total fee of \$2,895.

4 20. RG made a \$700 payment to Respondents on June 23, 2014.

5 21. ES made the following payments to Respondents, for a total amount of
6 \$1,895: \$700 on July 3, 2014; \$750 on August 11, 2014; \$200 on October 21, 2014, and;
7 \$245 on December 15, 2014.

8 22. Respondents were unsuccessful in obtaining loan modifications for the
9 Consumers.

10 23. Respondents have failed to refund the fees that the Consumers paid for
11 Respondents' loan modification services.

12 CONCLUSIONS OF LAW

13 The Director concludes that:

14 24. Respondents performed "debt management services," as that term is defined
15 in ORS 697.602(2)(c) and (d), respectively, when Respondents:

16 A. Offered to modify the terms and conditions of the existing loans or
17 obligations for the Consumers; and

18 B. Attempted to obtain as an intermediary on the Consumers' behalf a
19 concession from a creditor including, but not limited to, a reduction in the
20 principal, interest, penalties, or other fees associated with a debt.

21 25. Respondents acted as "debt management service providers," as defined in
22 ORS 697.602(3) when Respondents provided or performed, or represented that they
23 would provide or perform, the above-described debt management services in return for
24 money or other valuable consideration.

25 26. Respondents were not exempt from the statutes regulating debt management
26 service providers, ORS 697.602 to 697.842, because Respondents were not licensed as



1 mortgage brokers under ORS 86A.095 to 86A.198, and Ruiz was not licensed as a
2 mortgage loan originator under ORS 86A.200 to 86A.239, at any time material to this
3 Order.

4 27. Respondents violated ORS 697.612(1)(a) when Respondents provided debt
5 management services to the Consumers without first registering with the Division as debt
6 management service providers.

7 28. Respondents violated ORS 697.612(1)(b) when Respondents, without first
8 registering with the Division as debt management service providers, received money or
9 other valuable consideration from the Consumers in exchange for:

- 10 A. Soliciting or receiving an application for a debt management service;
- 11 B. Forwarding or providing a completed application for a debt management
12 service to a debt management service provider;
- 13 C. Referring the Consumers to another debt management service provider;
- 14 D. Providing the name, address, or other information that identifies the
15 Consumers to a debt management service provider for the purpose of arranging
16 the provision of a debt management services; and/or
- 17 E. Providing advice, assistance, instruction or instructional material
18 concerning a debt management service to the Consumers.

19 29. Respondents violated ORS 697.662(7)(a) when Respondents accepted and
20 received an initial fee of more than \$50.00 from each of the Consumers for the provision
21 of debt management services, in violation of ORS 697.692.

22 30. Respondents violated ORS 697.662(12)(a) when Respondents published and
23 distributed, or caused to be published and distributed, the Solicitation, which included
24 material that contained false, misleading, or deceptive statements or representations
25 regarding the ability of Respondents to obtain a modification of the Consumers'
26 residential mortgage loans under the terms set forth in the Solicitation.



1 31. Respondents violated ORS 697.642 when Respondents provided debt
2 management services to the Consumers without first filing with the Division a bond
3 issued by one or more corporate sureties authorized to do business in Oregon.

4 32. Respondents acted as “mortgage brokers” under ORS 86A.100(5)(a)(C) when
5 Respondents, for compensation or in the expectation of compensation, either directly or
6 indirectly made, negotiated, or offered to make or negotiate a modification to the terms
7 and conditions of the Consumers’ residential mortgage loans.

8 33. Respondents engaged in “residential mortgage transactions in this state”
9 under ORS 86A.103(2) by acting as mortgage brokers when Respondents offered to
10 negotiate a modification to the terms and conditions of the Consumers’ residential
11 mortgage loans secured by property located in Oregon.

12 34. Respondents violated ORS 86A.103(1) by engaging in residential mortgage
13 transactions in Oregon without first obtaining a mortgage broker license under ORS
14 86A.095 to 86A.198.

15 35. Ruiz acted as a “mortgage loan originator” under ORS 86A.200(4)(a)(B)
16 when Ruiz, for compensation, negotiated or offered to negotiate the Consumers’
17 residential mortgage loans.

18 36. Ruiz violated ORS 86A.203(1)(a) when Ruiz engaged in business as a
19 mortgage loan originator in Oregon without first obtaining a mortgage loan originator’s
20 license under ORS 86A.212.

21 **III. ORDERS**

22 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

23 *Order to Cease and Desist*

24 37. Pursuant to ORS 697.825(1)(a), ORS 86A.127(4), and ORS 86A.224(2), the
25 Director hereby ORDERS Respondents, and all entities owned or controlled by
26 Respondents, their successors and assignees, to CEASE AND DESIST from violating



1 any provision of the Oregon statutes regulating debt management service providers, ORS
2 697.602 to 697.842, the Oregon Mortgage Lender Law, ORS 86A.095 to 86A.198, the
3 Oregon statutes regulating mortgage loan originators, ORS 86A.200 to 86A.239, or any
4 administrative rule adopted by the Director under those statutes.

5 Order Assessing Civil Penalties

6 38. Pursuant to the authority of ORS 697.832(1), ORS 86A.992, and ORS
7 86A.224(3), the Director may assess CIVIL PENALTIES against persons who violate the
8 Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842,
9 the Oregon Mortgage Lender Law, ORS 86A.095 to 86A.198, or the Oregon statutes
10 regulating mortgage loan originators, ORS 86A.200 to 86A.239, or any administrative
11 rule adopted by the Director under those statutes, in an amount not to exceed \$5,000.00
12 per violation.

13 39. The Director hereby assesses CIVIL PENALTIES against Respondents,
14 jointly and severally, in the total amount of forty thousand dollars (\$40,000.00), as
15 follows:

- 16 A. A CIVIL PENALTY of ten thousand dollars (\$10,000.00) for violating
17 ORS 697.612(1), and ORS 86A.103(1), with respect to each of the Consumers;
- 18 B. A CIVIL PENALTY of ten thousand dollars (\$10,000.00) for violating
19 ORS 697.662(7)(a), with respect to each of the Consumers;
- 20 C. A CIVIL PENALTY of ten thousand dollars (\$10,000.00) for violating
21 ORS 697.662(12)(a), with respect to each of the Consumers; and
- 22 D. A CIVIL PENALTY of ten thousand dollars (\$10,000.00) for violating
23 ORS 697.642, with respect to each of the Consumers.

24 Order of Restitution

25 40. Pursuant to the authority of ORS 86A.224(2)(c), the Director may order a
26 person that is subject to regulation under ORS 86A.200 to 86A.239 to pay

1 RESTITUTION to a consumer that the Director finds suffered harm from the person's
2 acts, practices or operations, or as a result of the person's violation of a provision of ORS
3 86A.200 to 86A.239.

4 41. The Director hereby orders that Ruiz pay restitution to RG in the amount of
5 seven hundred dollars (\$700.00), and to ES in the amount of one thousand eight hundred
6 ninety-five dollars (\$1,895.00).

7

8 **AUTHORITY OF THE DIRECTOR TO SEEK OTHER REMEDIES UNDER**
9 **OREGON LAW**

10 42. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that
11 provision, the entry of this Order does not limit other remedies, sanctions, or actions
12 which may be available to the Director under Oregon law.

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14 IT IS SO ORDERED.

15 Dated this 14th day of October, 2015.

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PATRICK M. ALLEN, Director
Department of Consumer and Business Services

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18

/s/ David Tatman
David C. Tatman, Administrator
Division of Finance and Corporate Securities

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NOTICE OF RIGHT TO APPEAL

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A person aggrieved by an Order of the Director of the Department of Consumer and Business Services which has been the subject of a timely application for a hearing before the director shall be entitled to judicial review of the order under ORS Chapter 183. Pursuant to ORS 697.825(2)(d) and (e), and ORS 86A.139(2), a person who does not timely file a request for a hearing on an order is not entitled to judicial review.

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