

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES

In the matter of:)
)
) ORDER NO: 18-133-C
)
 Jason Wooten) ORDER IMPOSING CIVIL PENALTIES
) AND
 NMLS #AK188808) CONSENT TO ORDER
)
 Respondent.)
)

The Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Department”) has conducted an examination of the business activities of Jason Wooten (“Respondent”) and has determined that Respondent violated certain provisions of AS 06.60 *et seq.* (the Alaska Secure and Fair Enforcement for Mortgage Licensing Act of 2010 – the “Alaska SAFE Act”).

Respondent agrees that the Department has jurisdiction over the Respondent and this matter pursuant to the Alaska SAFE Act.

Respondent wishes to resolve and settle this matter with the Department. As evidenced by the authorized signature on this Order, Respondent consents to the entry of this Order imposing civil penalties based on the Conclusions of Law and Order. Respondent waives his right to a hearing under AS 44.62 *et seq.* (the Alaska Administrative Procedure Act) and the Alaska SAFE Act.

I. FACTS

1. First Rate Financial, LLC (“First Rate”) is an Alaska limited liability company, entity number 95447, with its principal place of business located at 3030 Denali Street #9,

1 Anchorage, Alaska 99503. On February 27, 2009, the Department issued an Alaska Mortgage
2 Broker/Lender license to First Rate. First Rate's unique identifier is AK184451. The
3 Department issued Mortgage Loan Originator Number AK188808 to Respondent on February
4 27, 2009. Respondent is a Mortgage Loan Originator (MLO) sponsored by First Rate.

5 2. On March 10, 2014, the Department conducted an examination ("First Examination") of
6 First Rate and its MLOs. At the time of the First Examination, Respondent was the sole owner
7 and president of First Rate, was listed as a control person for First Rate in the Nationwide
8 Multistate Licensing System & Registry (NMLS), and was working as an MLO for First Rate.
9 Adam Heafner and Justin Harris were MLOs who were sponsored and employed by First Rate
10 at the time of the First Examination.

11 3. During the First Examination, the Department conducted an advertising and loan file
12 review. The Department found that Respondent maintained three on-line advertisements that
13 did not display Respondent's or First Rate's unique identifier. The Department also found that
14 Mr. Heafner maintained three on-line advertisements that did not display either or both his
15 or First Rate's unique identifier and that Mr. Harris maintained one on-line advertisement
16 that did not display either his or First Rate's unique identifier.

17 4. On June 4, 2014, the Department issued to First Rate a Report of Examination ("Report")
18 detailing the Department's findings from the First Examination. Respondent, in his capacity as
19 president of First Rate, responded to the Report and informed the Department that First Rate
20 had enacted a policy requiring First Rate to approve all of its MLOs' advertisements before the
21 MLO could use the advertisements in the MLOs' marketing.

22 5. On January 2, 2018, the Department conducted an examination ("Second Examination")
23 of First Rate and its MLOs. At the time of the Second Examination, Respondent was the sole
24 owner and president of First Rate, was listed as a control person for First Rate in NMLS, and

1 was working as an MLO for First Rate. Messrs. Heafner and Harris were sponsored and
2 employed by First Rate at the time of the Second Examination. The Department found that
3 Respondent maintained two on-line advertisements that did not display First Rate’s unique
4 identifier. The Department also found that Mr. Heafner maintained seven on-line
5 advertisements that did not display either or both his or First Rate’s unique identifier and that
6 Mr. Harris maintained one on-line advertisement that did not display his unique identifier.

7 6. A person operating as an MLO must clearly and conspicuously display the unique
8 identifier assigned to the person by the NMLS on all advertisements, including websites.

9 II. CONCLUSIONS OF LAW

10 1. Respondent was a “control person” of First Rate as that term is defined in AS
11 06.60.990(4).

12 2. Respondent violated AS 06.60.325 and 3 AAC 14.510(2) by failing to clearly and
13 conspicuously display First Rate’s unique identifier in the on-line advertisements found during
14 the Second Examination.

15 3. Respondent violated AS 06.60.159(b) by allowing MLOs employed by First Rate to
16 maintain advertisements that did not clearly and conspicuously display First Rate’s or the
17 MLOs’ unique identifiers. Respondent, as president and control person of First Rate, knew or
18 should have known that MLOs were violating the SAFE Act.

19 4. Respondent violated 3 AAC 14.415(a) and (b) by failing to supervise, monitor, and
20 review the activities of persons operating as MLOs on behalf of First Rate.

21 5. Respondent is subject to a civil penalty under AS 06.60.420 for violating AS
22 06.60.159(b), AS 06.60.325, 3 AAC 14.415(a) and (b) and 3 AAC 14.510(2).

23 III. ORDER

24 Pursuant to the Alaska SAFE Act and on the basis of the Findings of Fact,

1 Conclusions of Law, and Respondents' consent to the entry of this Order, the Department

2 ORDERS Respondent to:

3 1. Pay a civil penalty of \$2,500. This amount was calculated at \$1,500 for Respondent's
4 failure to supervise MLOs sponsored by First Rate and \$500 for each of Respondent's two
5 advertisements found during the Second Examination that did not clearly and conspicuously
6 display First Rate's unique identifier.

7 2. Comply with all provisions of the Alaska SAFE Act and associated regulations. This
8 Order shall be publicly disclosed and is reportable to the NMLS.

9 **IT IS SO ORDERED.**

10 Julie Anderson Commissioner
11 Department of Commerce, Community
and Economic Development

12
13 1/31/2019

14 Date

/s/ Patrice Walsh

15
16 Patrice Walsh, Director
17 Division of Banking and Securities

Consent to Entry of Order

I, Jason Wooten, hereby acknowledge that I have read the foregoing Consent Order, and that I am aware of the right to a hearing and appeal in this matter and have waived the same.

I admit to the jurisdiction of the Department of Commerce, Community and Economic Development, Division of Banking and Securities (“Department”) and further consent to entry of this Order by the Department as settlement of the issues contained in this Order. I admit to violation of the Alaska SAFE Act.

I understand that the Department reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Alaska SAFE Act, and that I will fully comply with the terms and conditions of this Order, the Alaska SAFE Act and associated regulations.

I enter into this Order voluntarily and understand that this Order is a public document and is reportable to the NMLS.

1/8/19 /s/ Jason Wooten
Date Jason Wooten

SUBSCRIBED AND SWORN TO before me this 8th day of January, 2019 at
Anchorage, Alaska.

Notary Public in and for Alaska

/s/ Elizabeth Rhoads-Ritchie
Notary Printed Name Elizabeth Rhoads-Ritchie
My commission expires: 8-4-19

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