

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

In the matter of:)
Mortgage Brokers of Alaska Corporation)
NMLS #1708957)
Respondent.)

ORDER NO: 22-122-C
ORDER IMPOSING CIVIL PENALTIES
AND
CONSENT TO ORDER

The Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Department”) has conducted an examination of the business activities of Mortgage Brokers of Alaska Corporation (“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 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 its right to a hearing under AS 44.62 et seq (the Alaska Administrative Procedure Act) and the Alaska SAFE Act.

I. FINDINGS OF FACT

1. Respondent is an Alaska corporation, entity number 10071303, with its principal place of business located at 1577 C Street, Suite 101, Anchorage, AK 99501. On February 1, 2018,

1 the Department issued an Alaska Mortgage Broker/Lender license to the Respondent. The
2 Respondent's unique identifier is AK1708957.

3 2. On September 7, 2022, the Department issued the Report of Examination for the
4 limited-scope examination for the period from January 1, 2021 to June 30, 2022.

5 3. During the examination from August 15 to August 19, 2022, the Respondent's staff
6 failed to respond in a timely manner, when the Examiners requested the required examination
7 documents. The lack of cooperation increased the length of the examination period. This
8 conduct represented a repeat violation of AS 06.60.250(c) and (f)(2), and 3 AAC 14.415(a) and
9 (b).

10 4. Examiners found records blending the financial information for the companies owned
11 by Mr. Briley. This practice continued for 15 months following the previous examination. The
12 continued commingling was represented by Respondent as necessary based on the length of
13 time needed to establish a new payroll account, as well as the need to upgrade the software to
14 process payroll from separate entities. The commingled finances are a repeat violation of 3
15 AAC 14.435 and 3 AAC 14.415(a) and (b), as the matter was identified during the examination
16 conducted in 2021.

17 5. Mr. Roy E. Briley is a "control person" of Mortgage Brokers of Alaska Corporation
18 defined in AS 06.60.990(4) and is responsible for filing required reports with the Department.
19 3 AAC 14.434(d) requires a licensee to always maintain two control persons. Mr. Briley failed
20 to ensure Respondent's second control person successfully completed the application process
21 and received approval from the Department. The Respondent had one control person from
22 August 12, 2022 to December 13, 2022.

23 6. The Respondent failed to provide loan files by the due date and examiners identified
24 missing documents during loan file review that included eight privacy policies with a missing

1 list of affiliates, and eight affiliated business disclosures that were missing the statement “not
2 required to use”. Management’s failure to provide loan files in a timely manner was a repeat
3 violation of AS 06.60.135 from the 2021 examination.

4 7. The Bank Secrecy Act/Anti-Money Laundering (BSA/AML) training was not
5 completed as required during the examination period. The BSA/AML Compliance Officer is
6 required to ensure training is completed by all owners, board members, and appropriate
7 employees. The examiners found the owner and two staff members did not complete
8 BSA/AML training as required during the examination period. Respondent must supervise all
9 operations and personnel to ensure compliance with 3 AAC 14.415(a) and (b) and 31 CFR
10 Chapter X, Parts 1010 and 1029.

11 II. CONCLUSIONS OF LAW

12 1. Respondent is required to supervise the activities of the Mortgage Loan Originator
13 (MLO) per 3 AAC 14.415(a) and (b).

14 2. Respondent failed to provide the books, records, and accounts to the Department in a
15 timely manner as required under AS 06.60.250 (c) and (f).

16 3. Respondent failed to maintain two control persons from August 13, 2022 to
17 December 13, 2022, as required by 3 AAC 14.434(d).

18 4. Respondent failed to maintain separate bank accounts, books, and records per 3 AAC
19 14.435.

20 5. Per AS 06.60.330 (7)(8) A person subject to this chapter shall conduct the person's
21 mortgage loan activities in compliance with... (7) any other federal statute the purpose of
22 which is to regulate residential mortgage lending. (8) regulations adopted under the statutes
23 identified in (1) - (7) of this section.

24 6. Per AS 06.60.340(10) A person who is required to be licensed under this chapter and

1 a person who is licensed under AS 06.20 may not, in connection with a mortgage loan
2 transaction, (10) fail to comply with this chapter or regulations adopted under this chapter or
3 fail to comply with another state or federal statute, including regulations adopted under the
4 statute, applicable to a business authorized or conducted under this chapter;

5 7. AS 06.60.420 states a person who violates a provision of AS 06.60, or a regulation
6 adopted under the chapter, is liable for a civil penalty not to exceed \$10,000 for each
7 violation.

8 III. ORDER

9 Pursuant to the Alaska SAFE Act and based on the Findings of Fact, Conclusions of
10 Law, and Respondent's consent to the entry of this Order, the Department ORDERS

11 Respondent to:

12 1. Pay a civil penalty in the amount of \$4,000. This amount is composed of \$2,000
13 for failure to separate accounts, books, and records; \$1,000 for failure to respond in a timely
14 manner to the Department's requests during the examination; \$500 for failure to maintain a
15 second control person; \$500 for the Respondent's failure to complete required BSA training.
16 This amount is immediately due to the Department.

17 2. Comply with all provisions of the Alaska SAFE Act and associated regulations.

18 This Order shall be publicly disclosed and is reportable to the NMLS.

19 **IT IS SO ORDERED.**

20 Julie Sande, Commissioner
21 Department of Commerce, Community
and Economic Development

22 07/28/2023
23 Date

/s/ Robert H. Schmidt
24 Robert H. Schmidt, Director
Division of Banking and Securities

1 **Consent to Entry of Order**

2 **Mortgage Brokers of Alaska Corporation**

3 I, E. Roy Briley, Jr., state that I am the Owner of Mortgage Brokers of Alaska
4 Corporation (“Respondent”); that I am authorized to act on its behalf; that I have read the
5 foregoing Order; and that I am aware of the right to a hearing and appeal in this matter, and
6 have waived the same.

7 Respondent admits to the jurisdiction of the Department of Commerce, Community
8 and Economic Development, Division of Banking and Securities (“Department”) and further
9 consents to entry of this Order by the Department as settlement of the issues contained in this
10 Order. Respondent admits violation of the Alaska SAFE Act.

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

15 Respondent enters this Order voluntarily and understands that this Order is a public
16 document and is reportable to the NMLS.

17 07/21/2023
18 Date

/s/ E. Roy Briley Jr.
Mortgage Brokers of Alaska Corporation

19 By: E. Roy Briley Jr
20 Title: Owner

1 SUBSCRIBED AND SWORN TO before me this 21 day of July, 2023 at
2 Anchorage, Alaska.

3 /s/ Alizae Hartman
4 Notary Public in and for Alaska

5 Alizae Hartman
6 Notary Printed Name
7 My commission expires: May 7, 2024

8 Contact Person:
9 Tracy Reno
10 Financial Examiner 4
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