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

In the matter of: ) ORDER NO: 19-29-C
KM Capital Management, Inc. ) ORDER IMPOSING CIVIL PENALTIES
( ) AND
NMLS #AK186066 ) CONSENT TO ORDER
( )
Suzan A. McCready, NMLS # AK189271 )
( )
Respondents. )

The Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Department”) has conducted an examination of the business activities of KM Capital Management, Inc. (“KM Capital”) and Suzan A. McCready (“McCready”) (collectively, the “Respondents”) and has determined that Respondents 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”).

Respondents agree that the Department has jurisdiction over Respondents and this matter pursuant to the Alaska SAFE Act.

Respondents wish to resolve and settle this matter with the Department. As evidenced by the authorized signature on this Order, Respondents consent to the entry of this Order imposing civil penalties based on the Conclusions of Law and Order. Respondents waive their right to a hearing under AS 44.62 et seq. (the Alaska Administrative Procedure Act) and the Alaska SAFE Act.

I. FACTS

1. KM Capital is an Alaska business corporation, entity number 117304, with its principal
place of business located at 6633 Brayton Dr., Anchorage, Alaska 99507. On February 3, 2009, the Department issued an Alaska Mortgage Broker/Lender license to KM Capital. KM Capital’s unique identifier is AK186066.

2. McCready is the Chief Executive Officer and sole owner of KM Capital. McCready is listed as a control person of KM Capital in the Nationwide Mortgage Licensing System and Registry (NMLS). The Department issued mortgage loan originator (MLO) license AK 189271 to McCready on August 18, 2009.

3. The NMLS requires mortgage licensees to submit quarterly reports of condition, known as Mortgage Call Reports (MCR), to the Department in the form prescribed by the NMLS.

4. In December of 2018, the Department conducted an examination of KM Capital. During the examination, the Department found that KM Capital filed inaccurate MCRs with the Department; failed to complete staff training or an independent audit; and maintained loan files that had missing disclosures, missing or incorrect information, or incomplete records of originated loans.

II. CONCLUSIONS OF LAW

1. McCready is a “control person” of KM Capital as that term is defined in AS 06.60.990(4), and is responsible for filing required reports with the Department.

2. Respondents violated AS 06.60.135 and 3 AAC 14.420 by failing to maintain proper records.

3. Respondents violated 3 AAC 14.410(1) and (2) by failing to have accurate information in its MCRs.

4. Respondents violated AS 06.60.330(7) and (8) by failing to comply with 31 CFR Parts 1010 and 1029, which requires an ongoing employee training program and an
independent audit function to test the program.

5. Respondents are subject to a civil penalty under AS 06.60.420 for violating AS 06.60.135, AS 06.60.330(7) and (8), 3 AAC 14.410(1) and (2), and 3 AAC 14.420.

III. ORDER

Pursuant to the Alaska SAFE Act and on the basis of the Findings of Fact, Conclusions of Law, the Consent Order, and Respondents’ consent to the entry of this Order, the Department ORDERS Respondents to:

1. Pay a civil penalty in the amount of $2,000. This amount was calculated at $500 for Respondents’ failure to maintain proper records, $500 for Respondents’ filing inaccurate MCRs with the Department, $500 for Respondents’ failure to complete staff training, and $500 for Respondents’ failure to have an independent audit function in place to test that program. The civil penalty of $2,000 is immediately due to the Department.

2. Comply with all provisions of the Alaska SAFE Act, including associated regulations.

3. Respondents are jointly and severally liable for complying with the terms of this order, including payment of the civil penalty.

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

IT IS SO ORDERED.

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

7/8/19
Date

/s/ Patrice Walsh
Patrice Walsh, Director
Division of Banking and Securities
Consent to Entry of Order

KM Capital Management, Inc.

I, Suzan A. McCready, state that I am the Chief Executive Officer and owner of KM Capital Management, Inc. (“Respondent”); that I am authorized to act on its behalf; that I have read the foregoing Order; and that I am aware of the right to a hearing and appeal in this matter, and have waived the same.

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

Respondent understands 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 Respondent will fully comply with the terms and conditions of this Order, the Alaska SAFE Act and associated regulations.
Respondent enters into this Order voluntarily and understands that this Order is a public document and is reportable to the NMLS.

6/21/19

Date

/s/ Suzan A. McCready

KM Capital Management, Inc.

By: Suzan A. McCready

Title: CEO

SUBSCRIBED AND SWORN TO before me this 21st day of June, 2019 at Anchorage, Alaska.

/s/ Katreena Little

Notary Public in and for Alaska

Katreena Little

Notary Printed Name

My commission expires: 7/4/22
Consent to Entry of Order

Suzan A. McCready

I, Suzan A. McCready, hereby acknowledge that I have read the foregoing 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.

6/21/19 /s/ Suzan A. McCready
Date
Suzan A. McCready

SUBSCRIBED AND SWORN TO before me this 21st day of June, 2019 at Anchorage, Alaska.

/s/ Katreena Little
Notary Public in and for Alaska
Katreena Little
Notary Printed Name
My commission expires: 7/4/22

Contact Person:
Tammy Walker
Financial Examiner I
(907) 269-4157