

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

In the matter of: )  
FIRST RATE FINANCIAL, LLC )  
Respondent. )  
\_\_\_\_\_ )

**ORDER NO: C5000-10-014-C**  
**ORDER TO CEASE AND DESIST,**  
**ASSESSING CIVIL PENALTIES**  
**AND**  
**CONSENT TO ORDER**

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Department”), has conducted an investigation into the conduct of First Rate Financial, LLC (“First Rate”) and has determined that Respondent violated certain provisions of AS 06.60<sup>1</sup> et seq. (“the Alaska Mortgage Lending Regulation Act”).

Respondent agrees that the Department has jurisdiction over Respondent and these matters pursuant to the Alaska Mortgage Lending Regulation 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 assessing a civil penalty based on the Conclusions of Law and Order. Respondent waives its right to appeal under AS 44.62 et seq. (“the Alaska Administrative Procedure Act”) and the Alaska Mortgage Lending Regulation Act.

**I. FACTS**

1. First Rate maintains a principal place of business at 3030 Denali Street, Suite 9,

<sup>1</sup> All state statutory citations refer to the 2008 version of the Alaska Mortgage Lending Regulation Act, which was in effect at the time of the conduct described in the Facts.

1 Anchorage, Alaska, 99503. First Rate was formed as a limited liability company in Alaska on  
2 August 1, 2005, entity number 95447, and it is currently in good standing.

3 2. First Rate was licensed as a Mortgage Broker/Lender on February 27, 2009 with  
4 license number 100098. It was later assigned NMLS number 184451.

5 3. Jason Wooten is the President of First Rate, and is responsible for supervising its  
6 originators.

7 4. On July 1, 2008, the Alaska Mortgage Lending Regulation Act became effective and  
8 required all individuals previously operating as a mortgage lender, broker or originator to be  
9 licensed in Alaska by March 1, 2009.

10 5. In order to become licensed as an originator, the Alaska Mortgage Lending  
11 Regulation Act required an individual to complete an application and pass a competency test  
12 that was conducted and graded by the Department.

13 6. On December 23, 2008, Shelton Barber entered into an employment contract with  
14 First Rate to act as an originator; however, Mr. Barber did not pass the required competency  
15 test to obtain an originator license until May 28, 2010.

16 7. From March 1, 2009 to May 28, 2010, Mr. Barber continued to work at First Rate  
17 with the expectation that he would receive monetary compensation. During this time, Mr.  
18 Barber continued to perform originator duties such as interviewing consumers, accepting  
19 applications, and negotiating the terms or conditions of a loan.

20 8. From April 21, 2009 to February 26, 2010, First Rate knowingly allowed Mr. Barber  
21 to originate the following 16 mortgage loans at First Rate without an originator license:

Loan Name	Date 1 <sup>st</sup> Loan Application Completed	Total Amount Received by First Rate	Compensation Received By Mr. Barber
V.O.	04/21/2009	\$15,013.64	\$5,949.99

A.C.	05/18/2009	\$5,616.12	\$1,696.32
J.D. & S.W.	05/20/2009	\$6,167.49	\$1,623.37
T.W.	05/23/2009	\$10,419.41	\$4,308.17
T.E.	06/03/2009	\$7,270.18	\$2,299.25
P.S. & M.S.	06/04/2009	\$0	\$0
M.S.	06/19/2009	\$0	\$0
D.S.	09/23/2009	\$8,181.30	\$3,335.02
D.S.	09/23/2009	\$13,096.00	\$5,926.81
G.G.	10/09/2009	\$6,677.97	\$2,598.56
N.G. & E.G.	11/01/2009	\$7,645.00	\$3,253.25
G.M.	11/24/2009	\$9,344.66	\$4,088.67
M.S.	02/02/2010	\$7,760.86	\$0
A.S.	02/04/2010	\$12,024.88	\$0
M.S.	02/26/2010	\$0	\$0
R.M. & E.M.	02/26/2010	\$0	\$0

9. First Rate did not establish and maintain procedures to supervise its originators.

## II. CONCLUSIONS OF LAW

1. From March 1, 2009 to May 28, 2010, Mr. Barber acted as an “originator” as that term was defined in AS 06.60.990(21).

2. From March 1, 2009 to May 28, 2010, First Rate allowed Mr. Barber to work as an originator without an originator license in violation of AS 06.60.159(a).

3. From April 21, 2009 to February 26, 2010, First Rate allowed Mr. Barber to originate 16 mortgage loans without an originator license in violation of AS 06.60.159(b).

4. First Rate failed to establish and maintain procedures to supervise originators in violation of 3 AAC 14.415.

5. Pursuant to AS 06.60.420, First Rate is subject to a civil penalty because it violated AS 06.60.159(a) and (b), and 3 AAC 14.415.

## III. ORDER

The Department, pursuant to AS 06.60.400, hereby ORDERS First Rate to:

- 1 1. CEASE AND DESIST from allowing individuals to originate mortgage loans
- 2 without an originator license.
- 3 2. Establish and maintain procedures to supervise its originators.
- 4 3. Pay a civil penalty in the amount of twenty-one thousand dollars (\$21,000.00)<sup>2</sup>, with
- 5 five thousand dollars (\$5,000.00) suspended for a period of five years or two Division
- 6 mortgage exam cycles, whichever is less. If First Rate fails to comply with any term or
- 7 condition of this Order, or if it knowingly commits any violation of the Alaska Secure and
- 8 Fair Enforcement for Mortgage Licensing Act, the suspended portion of the civil penalty will
- 9 be immediately due and payable.

10 **IT IS SO ORDERED.**

11  
12 SUSAN BELL, Commissioner  
13 Department of Commerce, Community  
14 and Economic Development

15 January 27, 2014

16 Date

17 /s/ Kevin Anselm

18 Kevin Anselm, Director Division  
19 of Banking and Securities

20 **Consent to Entry of Order**

21 I, Jason Wooten, state that I am the President of First Rate Financial, LLC; that I am  
22 authorized to act on its behalf; that I acknowledge that I have read the foregoing Order; and  
23 that I am aware of a right to a hearing and appeal in this matter, and have waived the same.

24 First Rate Financial, LLC admits the jurisdiction of the Department of Commerce,  
Community and Economic Development, Division of Banking and Securities (Division) for

<sup>2</sup> One thousand dollars (\$1,000.00) per violation for each of the 16 mortgage loans that Mr. Barber originated without an originator license plus five thousand dollars (\$5,000.00) for First Rate's failure to supervise its employees.

1 purposes of settling this action and First Rate Financial, LLC further consents to entry of this  
2 Order by the Division as settlement of the issues contained in this Order, without admitting  
3 or denying the factual allegations stated herein. First Rate Financial, LLC understands that  
4 any examination of its operations by the Division may be announced or unannounced.

5 First Rate Financial, LLC enters into this Order voluntarily and represents that no  
6 threats, offers, promises, or inducements of any kind have been made by the Division or any  
7 member, officer, employee, agent, or representative of the Division to induce respondent to  
8 enter into this Order.

9 First Rate Financial, LLC understands that this Order is a public document.

10  
11 12/23/13

Date

/s/ Jason Wooten

First Rate Financial, LLC

By: Jason Wooten

Title: President

12  
13  
14  
15 SUBSCRIBED AND SWORN TO before me this 23<sup>rd</sup> day of December, 2013 at Anchorage,  
Alaska.

16  
17 /s/ Jane Hastings

Notary Public in and for Alaska

18 Jane Hastings

Notary Printed Name

19 My commission expires: 08/11/14

20  
21 Contact Person:  
22 David Newman  
23 Securities Examiner  
24 (907) 269-7678