The Department of Commerce, Community, and Economic Development, Division of Banking and Securities ("Department") has conducted an examination of the business operations of Jim Kelly Insurance Agency ("Insurance Agency") and James L.H. Kelly ("Kelly," collectively "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 to pay suspended late fees based on the Conclusions of Law and Order. Respondents waive their right to hearing under AS 44.62 et seq. (the Alaska Administrative Procedure Act) and the Alaska SAFE Act.

I. FACTS

1. Insurance Agency is a corporation (entity no. 132221) organized under the laws of
the State of Alaska, and has a physical address of 1401 Turner Street, Fairbanks, AK 99701.

2. On September 2, 2010, the Department issued an Alaska Mortgage Broker/Lender license (no. AK308380) to Insurance Agency.

3. Kelly is listed as a control person of Insurance Agency. The Department issued mortgage loan originator license number 320947 to Kelly in 2010.

4. On October 5, 2015, Respondents entered into Consent Order 15-521-C with the Department (Exhibit 1) which imposed a $9,525 late fee under AS 06.60.100 and 3 AAC 14.414 for filing late annual reports and late mortgage call reports. Pursuant to the Order, the late fee was suspended for a period of three years, provided that Respondents comply with all provisions of the Alaska SAFE Act, including associated regulations. Additionally, if Respondents failed to comply with any term or condition of the Order, including failure to comply with any future filing or reporting deadlines, the suspended portion of the late fees would be immediately due.

5. Mortgage licensees must submit reports of condition of the licensee to the Department in the form prescribed by the National Mortgage Licensing System and Registry (“NMLS”). The NMLS requires licensees to submit quarterly reports of condition known as Mortgage Call Reports (“MCRs”). The NMLS mandates that MCRs be filed after each calendar quarter by May 15, August 14, November 14, and February 14.

6. In 2015, November 14 fell on a Saturday, therefore the report was not due until November 16, 2015. Insurance Agency did not file its third quarter MCR until November 30, 14 days after it was due. Insurance Agency only filed the report after the Department notified it that the report was late.

II. CONCLUSIONS OF LAW

1. Respondent violated AS 06.60.100(c) and Consent Order 15-521-C by filing its third
quarter MCR 14 days late.

2. The suspended late fee in Consent Order 15-521-C is now due pursuant to the terms of that Order.

III. ORDER

Pursuant to the Alaska SAFE Act and on the basis of the Findings of Fact, Conclusions of Law, Consent Order 15-521-C, and Respondents’ consent to the entry of this Order, the Department ORDERS Respondents to:

1. Pay the suspended late fee of $9,525 under the following conditions:
   a. Respondents shall make equal payments of $793.75 to the State of Alaska, Division of Banking and Securities, by the first of each month beginning January 1, 2016 and concluding on December 1, 2016.
   b. The Department may execute judgment for failure to comply with the payment schedule.
   c. Respondents are jointly and severally liable for payment of the fee.

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

This Order is a publicly disclosable document and is reportable to the NMLS.

IT IS SO ORDERED.

Chris Hladick, Commissioner
Department of Commerce, Community and Economic Development

December 11, 2015
/s/ Kevin Anselm
Kevin Anselm, Director
Division of Banking and Securities
Consent to Entry of Order
Jim Kelly Insurance Agency

I, ____________________, state that I am the __________________ of Jim Kelly Insurance Agency (“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.

____________________ _______________________
Date Jim Kelly Insurance Agency

/s/ James LH Kelly
By: James LH Kelly
Title: CEO/Owner

SUBSCRIBED AND SWORN TO before me this ___ day of December, 2015 at Kirkland, Washington

/s/ Lianna Louie
Notary Public in and for Alaska—Washington

Lianna Louie
Notary Printed Name
My commission expires: 7/2/16
Consent to Entry of Order
James L.H. Kelly

I, James L.H. Kelly, 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 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 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.

Date 12/3/15 /s/ James L.H. Kelly

SUBSCRIBED AND SWORN TO before me this 3rd day of December, 2015 at Kirkland, Washington.

/s/ Lianna Louie
Notary Public in and for Alaska

Lianna Louie
Notary Printed Name
My commission expires: 7/2/16

Contact Person:
Kaitlin Morris
Financial Institution Examiner
(907) 269-4558
STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES

In the matter of: JIM KELLY INSURANCE AGENCY, NMLS #308380, and JAMES L.H. KELLY, NMLS #320947 Respondents.

ORDER NO: 15-521-C

ORDER TO PAY LATE FILING FEES, 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 operations of Jim Kelly Insurance Agency ("Insurance Agency") and James L.H. Kelly ("Kelly," collectively "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 to pay late fees and imposing civil penalties based on the Conclusions of Law and Order. Respondents waive their right to hearing under AS 44.62 et seq. (the Alaska Administrative Procedure Act) and the Alaska SAFE Act.

I. FACTS

1. Insurance Agency is a corporation (entity no. 132221) organized under the laws of Alaska, with its principal place of business at 1700 East 6th Avenue, Anchorage, AK 99501. Insurance Agency is registered with the Division of Banking and Securities (Division) as a licensed insurance agency.

2. James L.H. Kelly is an individual licensed as a real estate broker by the Division, with a license number #50103.

3. On or about January 2, 2015, Insurance Agency was required to file a report with the Division in accordance with the Alaska SAFE Act.

4. Insurance Agency submitted its report to the Division on February 6, 2015, which was two days late.

5. On or about February 18, 2015, the Division issued a Notice of Non-Compliance to Insurance Agency, informing it of the late filing and the need to pay late filing fees.

6. Insurance Agency failed to pay the late filing fees within the 7-day time period specified in the Notice of Non-Compliance.

7. On or about February 25, 2015, the Division issued a Notice of Intention to Impose Civil Penalties to Insurance Agency, informing it of the purpose of the notice and the potential civil penalties.

8. Insurance Agency did not resolve the issue with the Division by the date specified in the Notice of Intention to Impose Civil Penalties.

9. On or about March 2, 2015, the Division issued a Notice of Imposition of Civil Penalties to Insurance Agency, informing it of the purpose of the notice and the potential civil penalties.

10. Insurance Agency did not appeal the notice within the 7-day time period specified in the Notice of Imposition of Civil Penalties.

11. On or about May 5, 2015, the Division issued an Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

12. Insurance Agency and James L.H. Kelly consented to the entry of the Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order.

13. On or about May 26, 2015, the Division issued a Notice of Appeal to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential appeal.

14. Insurance Agency and James L.H. Kelly did not appeal the notice within the 7-day time period specified in the Notice of Appeal.

15. On or about June 2, 2015, the Division issued a Final Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

16. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the 7-day time period specified in the Final Order.

17. On or about June 9, 2015, the Division issued a Notice of Extension of Time to Pay Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential extension.

18. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the extended time period specified in the Notice of Extension of Time to Pay Civil Penalties.

19. On or about June 16, 2015, the Division issued a Notice of Intent to Assess Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential civil penalties.

20. Insurance Agency and James L.H. Kelly did not appeal the notice within the 7-day time period specified in the Notice of Intent to Assess Civil Penalties.

21. On or about July 1, 2015, the Division issued a Final Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

22. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the 7-day time period specified in the Final Order.

23. On or about July 8, 2015, the Division issued a Notice of Extension of Time to Pay Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential extension.

24. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the extended time period specified in the Notice of Extension of Time to Pay Civil Penalties.

25. On or about July 15, 2015, the Division issued a Notice of Intent to Assess Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential civil penalties.

26. Insurance Agency and James L.H. Kelly did not appeal the notice within the 7-day time period specified in the Notice of Intent to Assess Civil Penalties.

27. On or about July 22, 2015, the Division issued a Final Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

28. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the 7-day time period specified in the Final Order.

29. On or about July 29, 2015, the Division issued a Notice of Intent to Assess Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential civil penalties.

30. Insurance Agency and James L.H. Kelly did not appeal the notice within the 7-day time period specified in the Notice of Intent to Assess Civil Penalties.

31. On or about August 5, 2015, the Division issued a Final Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

32. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the 7-day time period specified in the Final Order.

33. On or about August 12, 2015, the Division issued a Notice of Intent to Assess Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential civil penalties.

34. Insurance Agency and James L.H. Kelly did not appeal the notice within the 7-day time period specified in the Notice of Intent to Assess Civil Penalties.

35. On or about August 19, 2015, the Division issued a Final Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

36. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the 7-day time period specified in the Final Order.

37. On or about August 26, 2015, the Division issued a Notice of Intent to Assess Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential civil penalties.

38. Insurance Agency and James L.H. Kelly did not appeal the notice within the 7-day time period specified in the Notice of Intent to Assess Civil Penalties.

39. On or about September 2, 2015, the Division issued a Final Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

40. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the 7-day time period specified in the Final Order.

41. On or about September 9, 2015, the Division issued a Notice of Intent to Assess Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential civil penalties.

42. Insurance Agency and James L.H. Kelly did not appeal the notice within the 7-day time period specified in the Notice of Intent to Assess Civil Penalties.

43. On or about September 16, 2015, the Division issued a Final Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

44. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the 7-day time period specified in the Final Order.

45. On or about September 23, 2015, the Division issued a Notice of Intent to Assess Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential civil penalties.

46. Insurance Agency and James L.H. Kelly did not appeal the notice within the 7-day time period specified in the Notice of Intent to Assess Civil Penalties.

47. On or about September 30, 2015, the Division issued a Final Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

48. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the 7-day time period specified in the Final Order.

49. On or about October 7, 2015, the Division issued a Notice of Intent to Assess Civil Penalties to Insurance Agency and James L.H. Kelly, informing them of the purpose of the notice and the potential civil penalties.

50. Insurance Agency and James L.H. Kelly did not appeal the notice within the 7-day time period specified in the Notice of Intent to Assess Civil Penalties.

51. On or about October 14, 2015, the Division issued a Final Order to Pay Late Filing Fees, Imposing Civil Penalties and Consenting to Order to Insurance Agency and James L.H. Kelly.

52. Insurance Agency and James L.H. Kelly did not pay the late filing fees within the 7-day time period specified in the Final Order.
the State of Alaska, and has a physical address of 1401 Turner Street, Fairbanks, AK 99701.

2. On September 2, 2010, the Department issued an Alaska Mortgage Broker/Lender license (no. AK308380) to Insurance Agency.

3. Kelly is listed as a control person of Insurance Agency. The Department issued mortgage loan originator license number 320947 to Kelly in 2010.

4. Mortgage licensees must file annual reports with the Department by March 15 of the year following an annual period of licensure. Kelly is the individual responsible for filing the reports with the Department.

5. On February 25, 2015, the Department sent an email to Kelly, as the only designated control person and assigned contact person, with a reminder that Insurance Agency was required to file its annual report for 2014 with the Department by March 16, 2015. Kelly filed his 2014 annual report on September 11, 2015, 175 days late. Previously, Insurance Agency filed the annual report late for 2010, 2011, and 2013.

6. Mortgage licensees must file annual reports with the Department by March 15, and the Department is authorized to assess a late fee of $25 per day for annual reports that are not filed on time. Insurance Agency has filed four late annual reports since 2010, totaling 205 days late.

### ANNUAL REPORTS

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1 March 15, 2014 was on a Saturday, so the report was due by Monday, March 17, 2014.

2 March 15, 2015 was on a Sunday, so the report was due by Monday, March 16, 2015.
7. Mortgage licensees must submit reports of condition of the licensee to the Department in the form prescribed by the National Mortgage Licensing System and Registry (“NMLS”). The NMLS requires licensees to submit quarterly reports of condition known as Mortgage Call Reports (“MCRs”). The NMLS mandates that MCRs be filed after each calendar quarter by May 15, August 14, November 14, and February 14. Insurance Agency has filed five late MCR quarterly reports since 2011, totaling 181 days late.

**MORTGAGE CALL REPORTS (MCRs)**

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<td>Q1</td>
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</tbody>
</table>

II. CONCLUSIONS OF LAW

1. Kelly is a “control person” of Insurance Agency 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 06.60.100(a) and 3 AAC 14.410 by filing Insurance Agency’s annual report late in 2010, 2011, 2013, and 2014, a total of 205 days late. Under 3 AAC 14.414, the Department may assess a fee of $25 per day for reports filed late.

3. Respondents violated AS 06.60.100(c) by filing five quarterly MCRs late totaling 181 days. Under 3 AAC 14.414, the Department may assess a fee of $25 per day for reports filed late.

4. Respondents are subject to a civil penalty under AS 06.60.100(b) and AS 06.60.420

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3 Respondent paid $125 for this late filing on March 5, 2012.
for violating AS 06.60.100(a) and (c) and 3 AAC 14.410.

III. ORDER

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

Conclusions of Law and Respondents’ consent to the entry of this Order, the Department ORDERS Respondents to:

1. Pay late fees of $25 per day for each day late under AS 06.60.100 and 3 AAC 14.414 for $5,125 for filing four late annual reports and $4,400 for filing four late MCR reports, for a total of $9,525. These late fees are suspended for a period of three years.

2. Pay a civil penalty under AS 06.60.420 in the amount of $3,150. This amount was calculated at $350 for nine late reports. This amount is immediately due to the Department.

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

If Respondents fail to comply with any term or condition of this Order, including failure to comply with any future filing or reporting deadlines, the suspended portion of the late fees will be immediately due.

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

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4 Not including the late 2011 Q4 MCR, for which respondents already paid $125.
5. This Order is a publicly disclosable document and is reportable to the NMLS.

IT IS SO ORDERED.

Chris Hladick, Commissioner  
Department of Commerce, Community  
and Economic Development

October 5, 2015  
/s/ Kevin Anselm

Date

Kevin Anselm, Director  
Division of Banking and Securities

Consent to Entry of Order

I, _______James L. H. Kelly______, state that I am the _______Owner_______ of Jim Kelly Insurance Agency (“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 understand that this Order is a public
document and is reportable to the NMLS.

Date

By:

Title:

Owner

SUBSCRIBED AND SWORN TO before me this 30 day of September, 2015 at
Fairbanks, Alaska.

Notary Public in and for Alaska

Notary Printed Name

My commission expires: 6-17-19

Consent to Entry of Order

I, James L.H. Kelly, 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 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 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.

9/30/2015
Date
James L.H. Kelly

SUBSCRIBED AND SWORN TO before me this _30_ day of __September__, 2015 at __Fairbanks__, __Alaska__.

/s/ Elizabeth Campbell
Notary Public in and for Alaska

__________________________
Elizabeth Campbell
Notary Printed Name
My commission expires: __6-17-19__

Contact Person:
Kristy Naylor
Chief of Enforcement
(907) 269-7675