In the matter of: First Rate Financial, LLC NMLS #AK184451 Respondent.

ORDER NO: 18-111-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 First Rate Financial, LLC (“Respondent”) and has determined that the 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 hearing under AS 44.62 et seq. (the Alaska Administrative Procedure Act) and the Alaska SAFE Act.

I. FACTS

1. Respondent is an Alaska limited liability company, entity number 95447, with its principal place of business located at 3030 Denali Street #9, Anchorage, Alaska 99503. On
February 27, 2009, the Department issued an Alaska Mortgage Broker/Lender license to Respondent. Respondent’s unique identifier is AK184451.

2. A mortgage licensee is liable for the conduct of a person acting as a Mortgage Loan Originator (MLO) if the mortgage licensee knows or should have known that the MLO’s conduct violates the Alaska SAFE Act and the MLO is employed by the mortgage licensee to act as an MLO.

3. On March 10, 2014, The Department conducted an examination of Respondent’s mortgage origination activities, which included an advertising and loan file review. The Department found that Respondent maintained 11 on-line advertisements that did not display the Respondent’s unique identifier. The Department also found that several MLOs employed and sponsored by Respondent maintained a total of 13 on-line advertisements that did not display the MLOs’ unique identifiers. Respondent informed the Department that, in response to Department’s recommendations after the examination, Respondent instituted a policy requiring Respondent to approve all advertisements issued by Respondent’s MLOs.

4. On January 2, 2018, the Department conducted an examination of Respondent and its sponsored MLOs. The Department found that Respondent maintained seven on-line advertisements that did not display Respondent’s unique identifier. The Department also found that several MLOs employed by Respondent maintained a total of nine on-line advertisements that did not display the MLOs’ unique identifiers. Jason Wooten, Adam Heafner and Justin Harris were sponsored MLOs whose advertisements lacked unique identifiers in both the 2014 and 2018 examinations.

II. CONCLUSIONS OF LAW

1. Respondent violated AS 06.60.325 and 3 AAC 14.510(2) by failing to clearly and conspicuously display its unique identifier in its advertisements.
2. Respondent violated AS 06.60.159(b) by allowing MLOs employed by Respondent to maintain advertisements that did not clearly and conspicuously display the MLOs’ unique identifiers.

3. Respondent violated 3 AAC 14.415(a) and (b) by failing to supervise, monitor, and review the activities of persons operating as MLOs and by failing to have procedures in place to ensure compliance with the Alaska SAFE Act.

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

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 Respondent to:

1. Pay a civil penalty in the amount of $8,000. This amount was calculated at $500 for each of the seven on-line advertisements maintained by Respondent that did not clearly and conspicuously display the company’s unique identifier and $500 for each of the nine on-line advertisements maintained by the MLOs employed and sponsored by Respondent that did not clearly and conspicuously display the MLOs’ unique identifier. These violations were found during the examination on January 2, 2018.

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

**IT IS SO ORDERED.**

Mike Navarre, Commissioner  
Department of Commerce, Community  
and Economic Development

October 3, 2018  
/s/ Patrice Walsh  
Patrice Walsh, Acting Director  
Division of Banking and Securities
Consent to Entry of Order

First Rate Financial, LLC

I, _Jason Wooten_________, state that I am the _President_________ of First Rate Financial, LLC (“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.

9/20/2018 /s/ Jason Wooten  
Date First Rate Financial, LLC  
By: Jason Wooten  
Title: President

SUBSCRIBED AND SWORN TO before me this 20 day of September, 2018 at Anchorage, Alaska.

/s/ Rose Baye  
Notary Public in and for Alaska  
Rose Baye  
Notary Printed Name  
My commission expires: 10/12/20

Contact Person:  
Tracy Reno  
Acting Chief of Examinations  
(907) 269-8112