

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

1 place of business located at 6633 Brayton Dr., Anchorage, Alaska 99507. On February 3, 2009,  
2 the Department issued an Alaska Mortgage Broker/Lender license to KM Capital. KM  
3 Capital's unique identifier is AK186066.

4 2. McCready is the Chief Executive Officer and sole owner of KM Capital. McCready  
5 is listed as a control person of KM Capital in the Nationwide Mortgage Licensing System  
6 and Registry (NMLS). The Department issued mortgage loan originator (MLO) license AK  
7 189271 to McCready on August 18, 2009.

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

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

## 16 II. CONCLUSIONS OF LAW

17 1. McCready is a "control person" of KM Capital as that term is defined in AS  
18 06.60.990(4), and is responsible for filing required reports with the Department.

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

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

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

1 independent audit function to test the program.

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

4 **III. ORDER**

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

8 1. Pay a civil penalty in the amount of \$2,000. This amount was calculated at \$500 for  
9 Respondents' failure to maintain proper records, \$500 for Respondents' filing inaccurate  
10 MCRs with the Department, \$500 for Respondents' failure to complete staff training, and  
11 \$500 for Respondents' failure to have an independent audit function in place to test that  
12 program. The civil penalty of \$2,000 is immediately due to the Department.

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

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

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

17 **IT IS SO ORDERED.**

18 Julie Anderson, Commissioner  
19 Department of Commerce, Community  
20 and Economic Development

21 7/8/19  
22 Date

21 /s/ Patrice Walsh  
22 Patrice Walsh, Director  
23 Division of Banking and Securities  
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Respondent enters into this Order voluntarily and understands that this Order is a public document and is reportable to the NMLS.

6/21/19 /s/ Suzan A. McCready  
Date KM Capital Management, Inc.

By: Suzan A. McCready  
Title: CEO

SUBSCRIBED AND SWORN TO before me this 21<sup>st</sup> 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

1 **Consent to Entry of Order**

2 **Suzan A. McCready**

3 I, Suzan A. McCready, hereby acknowledge that I have read the foregoing Order; and  
4 that I am aware of the right to a hearing and appeal in this matter, and have waived the same.

5 I admit to the jurisdiction of the Department of Commerce, Community and  
6 Economic Development, Division of Banking and Securities (“Department”) and further  
7 consent to entry of this Order by the Department as settlement of the issues contained in this  
8 Order. I admit to violation of the Alaska SAFE Act.

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

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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