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

In the matter of: Primary Residential Mortgage, Inc. NMLS #AK3094

ORDER NO: 19-72-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 Primary Residential Mortgage, Inc. ("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 business corporation, entity number 73910F, with its principal place of business located at 1480 North 2200 West, Salt Lake City, Utah 84116. On
March 19, 2010, the Department issued an Alaska Mortgage Broker/Lender license to Respondent. Respondent’s unique identifier assigned to it by the Nationwide Multistate Licensing System & Registry (NMLS) is AK3094.

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. A person operating as an MLO must clearly and conspicuously display the unique identifier assigned to the person, as well as the unique identifier assigned to the mortgage licensee that employs the MLO, on all advertisements, including websites.

4. In October 2014, the Department conducted an examination (the “First Examination”) of Respondent’s mortgage origination activities, which included an advertising review and a loan file review. The Department found that Respondent maintained twelve advertisements that did not display the Respondent’s unique identifier. The Department also found that David White, who was an MLO employed and sponsored by Respondent at the time of the First Examination, maintained a total of three advertisements that did not display his unique identifier.

5. In November 2018, the Department conducted an examination (the “Second Examination”) of Respondent and its sponsored MLOs, which included an advertising review and a loan file review. The Department found that Respondent maintained four on-line advertisements that did not display Respondent’s unique identifier. The Department also found that David White, Kelli White and Amber Gauthier, who were MLOs employed by Respondent at the time of the Second Examination, maintained a total of six on-line advertisements that did not display Respondent’s unique identifier or the unique identifiers of
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 Respondent’s or its 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.

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

1. Pay a civil penalty in the amount of $5,000. This amount was calculated at $500 for each of the four advertisements found during the Second Examination that did not clearly and conspicuously display the Respondent’s unique identifier and $500 for each of the six advertisements found during the Second Examination that did not clearly and conspicuously display Respondent’s or its MLOs’ unique identifiers.

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

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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

7/12/2019  
/s/ Patrice Walsh  
Date  
Patrice Walsh, Director  
Division of Banking and Securities
Consent to Entry of Order

Primary Residential Mortgage, Inc.

I, H. Burton Embry, state that I am the EVP & CEO of Primary Residential Mortgage, 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.

7/10/2019 /s/ H. Burton Embry
Date Primary Residential Mortgage, Inc.

By: H. Burton Embry
Title: Executive Vice President & CEO

SUBSCRIBED AND SWORN TO before me this 10th day of July, 2019 at
PRMI, Utah.

/s/ Shellie P. George
Notary Public in and for Utah

Shellie P. George
Notary Printed Name
My commission expires: Jan. 14, 2020

Contact Person:
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Financial Examiner I
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