

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

4 In the matter of: )

5 ADVANCE ALASKA, LLC )  
6 dba: Advance Til Payday )

7 Respondent. )

**ORDER NO: 14-1755-B**

**ORDER TO CEASE AND DESIST  
IMPOSING A CIVIL PENALTY  
and  
CONSENT TO ORDER**

8  
9 The Director of the Department of Commerce, Community, and Economic  
10 Development, Division of Banking and Securities ("Department"), has conducted an  
11 investigation into the conduct of Advance Alaska, LLC ("Advance Alaska") and has  
12 determined that Advance Alaska violated certain provisions of AS 06.50 et seq. ("Alaska  
13 Deferred Deposit Advances Act").

14 Advance Alaska agrees that the Department has jurisdiction over Advance Alaska  
15 and these matters pursuant to the Alaska Deferred Deposit Advances Act.

16 Advance Alaska wishes to resolve and settle this matter with the Department. As  
17 evidenced by the authorized signature on this Order, Advance Alaska consents to the entry of  
18 this Order imposing a civil penalty based on the Conclusions of Law and Order. Advance  
19 Alaska waives its right to a hearing.

20 **I. FACTS**

21 1. Advance Alaska is a limited liability company organized under the laws of the State  
22 of Alaska. Michael R. Gill is the 100% member of Advance Alaska.

23 2. Advance Alaska owns three deferred deposit advance (payday loan) stores located in  
24 Anchorage, Soldotna, and Fairbanks, under the dba: Advance Til Payday.

1 3. Advance Alaska is not licensed in the State of Alaska to make, or offer to make,  
2 deferred deposit advances (payday loans) in Alaska.

3 4. On June 25, 2014, Mr. Gill became the owner of Advance Alaska after the previous  
4 owner declared bankruptcy and Mr. Gill's purchase was accepted by the bankruptcy trustee  
5 (appointed by US Bankruptcy Court/Utah).

6 5. From June 25, 2014 to July 15, 2014, Advance Alaska made payday loans at all three  
7 stores without a license by accepting dated checks from persons seeking an advance;  
8 agreeing to hold the check for a specific period of time before depositing the checks; and  
9 paying to the advance recipient the amount of the check less the charges allowed under AS  
10 06.50.460.

11 6. On July 3, 2014, Advance Alaska submitted initial applications for payday loan  
12 licenses for its three store locations. The applications were completed on August 13, 2014.

13 7. Mr. Gill had previously been notified by the company's manager that he needed to  
14 obtain a license from the State of Alaska before making payday loans. In addition to verbally  
15 advising Mr. Gill, on June 23, 2014 management sent an email to Mr. Gill with attachments  
16 including: an "Application for a Deferred Deposit Advance Business", a "Deferred Deposit  
17 Advance Act Bond (Multiple Office Locations) Form" and a "Form A." These documents  
18 explain the procedures and requirements to apply for a payday loan license. In addition, on  
19 June 28, 2014 management sent an email to Mr. Gill advising him to finish filling out the  
20 information on a Surety Application for an Alaska Lender License Surety Bond.

21 8. On July 16, 2014, Mr. Gill admitted to the Department that he had made payday loans  
22 from June 25, 2014 to July 15, 2014. On that date, at the Department's request, Mr. Gill  
23 voluntarily agreed to stop making payday loans.

24 9. As of the date of this Order, management of Advance Alaska, LLC provided the

1 Department with a list of 141 instances where advances were made to advance recipients  
2 from June 25, 2014 through July 15, 2014. The amount due for refunds of fees and finance  
3 charges totaled \$7,295.00. Copies of the refund checks that were mailed to advance  
4 recipients were provided to the Department.

5 10. As of the date of this Order, it has been reported that additional refunds of fees and  
6 finance charges are due for an additional undetermined number of advances made to advance  
7 recipients from June 25, 2014 through July 15, 2014. The number of the additional advances  
8 that are due refunds of fees and finance charges is in dispute and has not been determined as  
9 of the date of this Order.

## 10 II. CONCLUSIONS OF LAW

11 1. From June 25, 2014 to July 15, 2014, Advance Alaska made deferred deposit  
12 advances in Alaska as that term is defined in AS 06.50.900(4).

13 2. From June 25, 2014 to July 15, 2014, Advance Alaska made deferred deposit  
14 advances in Alaska without a deferred deposit advance license in violation of AS 06.50.010.

15 3. Pursuant to AS 06.01.035(f), Advance Alaska is subject to a civil penalty because it  
16 knowingly and intentionally violated AS 06.50.010.

## 17 III. ORDER

18 The Department, pursuant to AS 06.01.030 and AS 06.01.035, hereby ORDERS Advance  
19 Alaska to:

20 1. CEASE AND DESIST from engaging in the business of making deferred deposit  
21 advances in Alaska without a deferred deposit advance license.

22 2. Pay a civil penalty in the amount of twelve thousand five hundred dollars (\$12,500),  
23 plus six hundred dollars (\$600) to reimburse the Department for the costs of its investigation,  
24 for a total amount of thirteen thousand one hundred dollars (\$13,100).

1 3. Within 60 days of the execution of this Order, make refunds of all fees and finance  
2 charges to advance recipients receiving a payday loan from June 25, 2014 through July 15,  
3 2014 and provide evidence of such through an external audit of the refund procedures and  
4 outcome. The audit shall be conducted by an external auditor approved by the Department. A  
5 copy of the external audit report shall be provided to the Department and include:

6 A spreadsheet listing all instances where advances were made from June 25, 2014  
7 through July 15, 2014 including the advance recipient's name, date of advance, amount of  
8 advance, check number, and amount of the fees and interest charged. In addition, the  
9 spreadsheet should include a copy of each refund check, a postmarked certified receipt that  
10 each refund check was mailed, and a copy of the bank statement(s) identifying that the  
11 refund checks have cleared.

12 4. Within 90 days of the execution date of this Order, provide the Department of  
13 Revenue, Treasury Division, Unclaimed Property Program, with the following (and a copy to  
14 the Department):

15 a. A spreadsheet providing the date of mailing for each payment, along with the  
16 advance recipient's name, last known mailing and physical address, telephone and/or cellular  
17 phone numbers, email address along with the check number, date issued, and as applicable,  
18 the date the check is cashed or the date Mr. Gill stops payment on the check.

19 b. A check made out to "State of Alaska – Unclaimed Property Program" for the  
20 balance owed to the advance recipients for checks mailed under this paragraph, but remain  
21 uncashed by the date of the spreadsheet and, for each advance recipient whose check remains  
22 uncashed, a list for the use of the Alaska Department of Revenue, Treasury Division ,  
23 Unclaimed Property Program, including a notice that the information is given under penalty  
24 of unsworn falsification, with the advance recipient's name, the last known mailing and

1 physical address, telephone and/or cellular numbers, email address, loan date(s) and account  
2 number(s), and the date the amount became payable under this Order.

3 When the requirements of this Order are completed to the satisfaction of the  
4 Department, the Department shall issue deferred deposit advance licenses to the two  
5 locations, in Soldotna and Fairbanks, currently occupied by Advance Alaska, LLC. In  
6 addition, the Department shall issue a deferred deposit advance license to a third location in  
7 Anchorage, upon written notification of a change in the address of the Anchorage store.

8  
9 **IT IS SO ORDERED.**

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

12 4/14/15

13 Date

/s/ Kevin Anselm

Kevin Anselm, Director

Division of Banking and Securities

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18  
19 **Consent to Entry of Order**

20 Michael R. Gill, as authorized representative of Advance Alaska , LLC (“Advance  
21 Alaska”), acknowledges that he has read the foregoing Order and that he agrees with the  
22 terms contained in the Order; that Advance Alaska voluntarily and without any force or  
23 duress, consents to the entry of this Order as settlement of the issues contained in this Order;  
24 that Advance Alaska expressly waives any right to a hearing in this matter; that Advance

STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING AND SECURITIES  
550 WEST SEVENTH AVENUE, SUITE 1850  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 269-8140

1 Alaska understands that the Department reserves the right to take further actions to enforce  
2 this Order or to take appropriate action upon discovery of other violations of the Alaska  
3 Deferred Deposit Advances Act, and that Advance Alaska will fully comply with the terms  
4 and conditions stated herein.

5 Advance Alaska further assures the Department that Advance Alaska and its  
6 managers, employees and agents will only affect deferred deposit advances in Alaska in full  
7 compliance with the terms of this Order and the Alaska Deferred Deposit Advances Act.

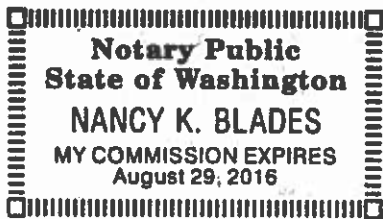
8 Advance Alaska acknowledges that this Order is a publicly disclosable document.

9  
10 3/31/15  
Date

/s/ Michael R. Gill  
Michael R. Gill  
Advance Alaska, LLC

11  
12 SUBSCRIBED AND SWORN TO before me this 31st day of March, 2015 at  
13  
14 Spokane, WA.

15 /s/ Nancy K Blades  
Notary Public in and for Spokane, WA  
Nancy K Blades  
16  
17 Notary Printed Name  
My commission expires: 8/29/16



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20 Contact Person:  
21 Julia Winchell  
22 Investigator  
(907) 269-8185  
23  
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