

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

In the matter of: )  
Alaska Prepaid Card, LLC ) **ORDER NO: 15-6737-B**  
d/b/a Quyana Card ) **ORDER TO CEASE AND DESIST**  
Respondent. ) **IMPOSING A CIVIL PENALTY**  
 ) **and**  
 ) **CONSENT TO ORDER**

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Department”), has conducted an investigation into the conduct of Alaska Prepaid Card, LLC (“Respondent”) and has determined that Respondent violated certain provisions of AS 06.50 et seq. (“Alaska Deferred Deposit Advances Act”).

Respondent agrees that the Department has jurisdiction over Respondent and these matters pursuant to the Alaska Deferred Deposit Advances 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 a civil penalty based on the Conclusions of Law and Order. Respondent waives its right to a hearing.

**I. FACTS**

1. Respondent is a limited liability company organized under the laws of the State of Alaska. Debra Peacock is a 51% member and Lahka Peacock is a 49% member of Alaska Prepaid Card, LLC, d/b/a Quyana Card.

2. Respondent is located at 214 W. Front Street, Ste. 325, Nome, Alaska, 99762, with a

1 mailing address of P.O. Box 1303, Nome, Alaska, 99762.

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

4 4. Respondent is licensed in the State of Alaska as a money transmitter under license  
5 number AK MT 10082, issued by the Department on February 26, 2014. Respondent's primary  
6 business is distributing, marketing and selling its prepaid card product, the Quyana Card. The  
7 Quyana Card was developed for, and primarily marketed to, customers in rural areas of Alaska  
8 who have limited access to traditional banking services or who do not maintain an account  
9 through a bank.

10 5. On October 30, 2015, the Department received a report that Respondent had been  
11 making payday loans to its customers.

12 6. On December 16, 2015, Lahka Peacock admitted to the Department that Respondent  
13 had made an estimated one hundred to two hundred advance loans to customers (advance  
14 recipients) from July 2014 through December 14, 2015. The advances were made by loading  
15 the money onto each advance recipient's Quyana Card. The terms of the advance generally  
16 included 15% interest for each \$100.00 of an advance, with a \$5.00 fee added to each  
17 advance. The advance, plus interest and fees, would be debited at the time of the advance  
18 recipient's next direct deposit to the Quyana Card. Additional interest and fees were charged  
19 every two weeks on unpaid advances.

20 7. On December 16, 2015, Mr. Peacock admitted to the Department that the advance  
21 recipients had not been required to sign an advance agreement or a disclosure statement in  
22 order to obtain an advance. The advances, and the renewal of the advances, were all made by  
23 a verbal agreement between the advance recipients and Respondent. There was nothing in  
24 writing to document the amount of the advance, interest and fees charged, or when the

1 advance was due.

2 8. On December 16, 2015, Mr. Peacock admitted to the Department that Respondent had  
3 collected costs and damages awarded in small claims court against advance recipients who  
4 had defaulted on their loan.

5 9. On December 16, 2015, Mr. Peacock voluntarily agreed to stop making payday loans.

6 10. On December 16, 2015, Mr. Peacock agreed to refund all fees and finance charges to  
7 each advance recipient and to provide documentation to the Department of all refunds made.  
8 Refunds also include all costs, fees, damages and interest recovered as a result of judgments  
9 received in small claims court.

10 11. On January 20, 2016, Mr. Peacock provided a spreadsheet to the Department of his  
11 best estimate of all advances made. The spreadsheet includes: the name and contact  
12 information of each advance recipient (address and phone number), the estimated date and  
13 dollar amount of each advance, and the estimated dollar amount of interest and finance fees  
14 to be reimbursed to each advance recipient.

15 12. On February 1, 2016, Mr. Peacock provided a spreadsheet to the Department of all  
16 small claims court actions taken against advance recipients who defaulted on their advance.  
17 The spreadsheet includes: the name and contact information of each advance recipient  
18 (address and phone number), the dollar amount of the principal advanced, the dollar amount  
19 collected as a result of the court action, and the dollar amount to be reimbursed to each  
20 advance recipient.

## 21 II. CONCLUSIONS OF LAW

22 1. From July 2014 to December 14, 2015, Respondent made deferred deposit advances  
23 in Alaska as that term is defined in AS 06.50.900(4).

24 2. From July 2014 to December 14, 2015, Respondent made deferred deposit advances

1 in Alaska without a deferred deposit advance license in violation of AS 06.50.010.

2 3. Pursuant to AS 06.01.035(g), Respondent is subject to a civil penalty because it  
3 violated AS 06.50.010.

### 4 III. ORDER

5 Pursuant to AS 06.01.030 and AS 06.01.035, and on the basis of the Findings of Fact,  
6 Conclusions of Law and Respondent's consent to the entry of this Order, Respondent agrees  
7 to:

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

10 2. Within 60 days of the execution of this Order, pay a civil penalty in the amount of  
11 twenty-five thousand dollars (\$25,000), plus six hundred dollars (\$600) to reimburse the  
12 Department for the costs of its investigation, for a total amount of twenty-five thousand six  
13 hundred dollars (\$25,600), with twenty thousand dollars (\$20,000) suspended for a period of  
14 five (5) years. If Respondent commits any violation of the Alaska Deferred Deposit  
15 Advances Act, the suspended portion of the civil penalty will be immediately due.

16 3. Within 60 days of the execution of this Order, notify in writing and make refunds of  
17 fees and finance charges to the advance recipients who received an advance from July 2014  
18 through December 14, 2015 and provide evidence of such to the Department either in the  
19 form of: a copy of the printed receipt of refunds loaded onto the advance recipient's Quyuana  
20 Card, or a copy of the refund check made out to each advance recipient and a postmarked  
21 certified receipt of each check mailed, or by a copy of the receipt of the cash amount  
22 received bearing the signature of the advance recipient. Refunds should include all additional  
23 transaction fees associated with loading the refunds onto the advance recipient's Quyuana  
24 Card, if any.

1       4. Within 60 days of the execution of this Order, make refunds of all costs, fees,  
2 damages and interest recovered as a result of judgments received in small claims court  
3 against advance recipients and provide evidence of such to the Department either in the form  
4 of: a copy of the printed receipt of refunds loaded onto the advance recipient's Qu yana Card,  
5 a copy of each refund check made out to each advance recipient and a postmarked certified  
6 receipt of each check mailed, or by a copy of the receipt of the cash amount received bearing  
7 the signature of the advance recipient. Refunds should include all additional transaction fees  
8 associated with loading the refunds onto the advance recipient's Qu yana Card, if any.

9       5. Within 3 years of the execution date of this Order, make refunds of fees and finance  
10 charges to any additional advance recipients that come forward with verifiable claims that an  
11 advance had been made where interest and fees were collected. Respondent must provide  
12 evidence of such to the Department either in the form of: a copy of the printed receipt of  
13 refunds loaded onto the advance recipient's Qu yana Card, a copy of each refund check made  
14 out to each advance recipient and a postmarked certified receipt of each check mailed, or by  
15 a copy of the receipt of cash amount received bearing the signature of the advance recipient.  
16 Refunds should include all additional transaction fees associated with loading the refunds  
17 onto the advance recipient's Qu yana Card, if any.

18       6. Within 30 days of the execution date of this Order, contact the Department of  
19 Revenue, Treasury Division, Unclaimed Property Program (Unclaimed Property Program),  
20 for guidance in adhering to the requirements set out in AS 34.45.010, *et seq.*, and AS  
21 34.45.190, in particular, with respect to any refund(s) remaining unclaimed after Respondent  
22 has exerted due diligence to locate and deliver the refund(s) to the advance recipient(s).  
23 Within 90 days of the execution of this Order, Respondent must provide written verification  
24 to the Department from the Unclaimed Property Program regarding Respondent's

1 satisfaction of the fulfillment of such requirements.

2 **IT IS SO ORDERED.**

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

5 03.21.2016

/s/ Kevin Anselm

6 Date

Kevin Anselm, Director  
Division of Banking and Securities

7  
8 **Consent to Entry of Order**

9 Lahka Peacock, as authorized representative of Alaska Prepaid Card , LLC  
10 (“Respondent”), acknowledges that he has read the foregoing Order and that he agrees with  
11 the terms contained in the Order; that Respondent voluntarily and without any force or  
12 duress, consents to the entry of this Order as settlement of the issues contained in this Order;  
13 that Respondent expressly waives any right to a hearing in this matter; that Respondent  
14 understands that the Department reserves the right to take further actions to enforce this  
15 Order or to take appropriate action upon discovery of other violations of the Alaska Deferred  
16 Deposit Advances Act, and that Respondent will fully comply with the terms and conditions  
17 stated herein.

18 Respondent further assures the Department that Respondent and its managers,  
19 employees and agents will only affect deferred deposit advances in Alaska in full compliance  
20 with the terms of this Order and by license under the Alaska Deferred Deposit Advances Act.

21 Respondent acknowledges that this Order is a publicly disclosable document.

22 03.07.2016

/s/ Lahka Peacock

23 Date

Lahka Peacock  
Alaska Prepaid Card, LLC

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SUBSCRIBED AND SWORN TO before me this 7th day of March, 2016 at

Nome, Alaska.

/s/ E.M. Lillie  
Notary Public in and for ALASKA

E.M. Lillie  
Notary Printed Name  
My commission expires: 09/07/2017

Contact Person:  
Julia Winchell  
Investigator  
(907) 269-8185