

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

In the matter of:

ADVANCE ALASKA LLC
d/b/a Advance Til Payday

Respondent.

ORDER NO: 17-156-B

**FINAL ORDER IMPOSING CIVIL
PENALTIES**

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

I. BACKGROUND

On September 21, 2020, the Department mailed a Notice of Intent to Issue Order Imposing Civil Penalties to Respondent by certified mail, restricted delivery (tracking number 7018 1830 0000 6875 7630). On September 30, 2020, the Department received the return receipt for tracking number 7018 1830 0000 6874 7630. As of the date of this Order, Respondent has not requested a hearing.

II. FINDINGS OF FACT

1. Respondent is a limited liability company (file no. 90546) organized under the laws of the State of Alaska. Michael R. Gill is 100% managing member of Respondent.

2. Respondent owns three deferred deposit advance stores: One is located in Anchorage, one is located in Soldotna, and one is located in Fairbanks. All of Respondent’s stores operate

1 under the d/b/a Advance Til Payday.

2 3. A Deferred Deposit Advance (“DDA”) license issued by the Department is valid for
3 two calendar years and remains in force through the calendar year after the calendar year in
4 which the license was issued unless surrendered, suspended, or revoked.

5 4. A licensee seeking to renew a DDA license must submit a renewal application to the
6 Department no later than November 1st of the year in which the license is due to expire.

7 5. The Department issued DDA License no. 72 to Respondent for Respondent’s store
8 located at 618 Gambell Street, Suite A, in Anchorage, Alaska (the “Anchorage Location”) on
9 November 30, 2015.

10 6. Respondent’s DDA license for the Anchorage Location was set to expire on December
11 31, 2016.

12 7. Respondent did not apply for renewal of its DDA license for the Anchorage Location
13 before the deadline of November 1, 2016.

14 8. The DDA license for Respondent’s Anchorage Location expired on December 31,
15 2016.

16 9. From January 1, 2017 until January 19, 2017, Respondent made deferred deposit
17 advances at the Anchorage Location. Respondent accepted dated checks from persons seeking
18 an advance, held the check for a specific period of time before depositing the checks, and paid
19 to the advance recipients the amount of the check less the charges allowed under the Act.

20 10. On January 30, 2017, the Department received Respondent’s renewal application for a
21 DDA license for the Anchorage Location.

22 11. During January 2017, Respondent was not licensed at the Anchorage Location to make,
23 or offer to make, deferred deposit advances.

24 12. Upon request, Respondent provided the Department with a list documenting 66

1 deferred deposit advances that Respondent made at the Anchorage Location to advance
2 recipients from January 1, 2017 until January 19, 2017.

3 13. Between January 1, 2017 and January 19, 2017, Respondent made deferred deposit
4 advances totaling \$25,750 and received \$4,192.50 in fees and finance charges.

5 14. Respondent completed its last transaction on January 19, 2017 and ceased making
6 deferred deposit advances at the Anchorage location on that date.

7 15. On April 5, 2017, the Department e-mailed a letter to Mr. Gill at his personal e-mail
8 address, which informed Mr. Gill that the Department intended to take administrative action
9 against Respondent due to Respondent's making deferred deposit advances without a license
10 during January 2017.

11 16. On September 21, 2017, the Department e-mailed a proposed consent order to Mr. Gill
12 at his personal e-mail address. Respondent did not execute the consent order and did not
13 otherwise respond to the Department.

14 17. On June 26, 2018, the Department e-mailed the proposed consent order to Mr. Gill at
15 his personal e-mail address. Respondent did not execute the consent order and did not
16 otherwise respond to the Department.

17 18. On July 11, 2018, the Department mailed the proposed consent order by certified mail
18 (tracking number 7011 3500 0002 1237 8981) to Mr. Gill at his personal address.

19 19. On July 20, 2018, the Department received the return receipt for tracking number 7011
20 3500 0002 1237 8981, which was signed by S.G. on July 18, 2018. Respondent did not execute
21 the consent order and did not otherwise respond to the Department.

22 20. On August 16, 2018, the Department e-mailed Mr. Gill at his personal e-mail address
23 and requested a response regarding the proposed consent order that S.G. received on July 20,
24 2018. The Department set a deadline of August 31, 2018 for Respondent to execute the

1 proposed consent order. Respondent did not execute the proposed consent order by August 31,
2 2018.

3 21. On August 27, 2018, the Department received an e-mail from Mr. Gill in which Mr.
4 Gill acknowledged receipt of the proposed consent order. Respondent did not execute the
5 proposed consent order by August 31, 2018.

6 22. On September 22, 2018, the Department received an e-mail from Mr. Gill in which Mr.
7 Gill requested that the Department allow Respondent to pay the entire civil penalty proposed in
8 the consent order in installments.

9 23. On January 22, 2019, the Department e-mailed Mr. Gill regarding his proposal to allow
10 Respondent to pay the proposed civil penalty in installments. The Department requested that
11 Mr. Gill submit his proposal to the Department in writing. The Department set a deadline of
12 February 1, 2019 for Respondent to respond.

13 24. As of January 29, 2019, Respondent had not executed the proposed consent order. The
14 Department sent a letter by certified mail (tracking # 7018 1130 0001 5786 0453) to Mr. Gill
15 informing him that the Department had extended the deadline for Respondent to execute the
16 proposed consent order to February 14, 2019, and that the Department was prepared to take
17 administrative action against Respondent without Respondent's consent if Respondent did not
18 execute the proposed consent order by that date.

19 25. On February 5, 2019, Mr. Gill e-mailed a letter to the Department in which he
20 requested that the Department reduce the civil penalty and allow the Respondent to pay the
21 civil penalty in installments.

22 26. On March 26, 2019, the Department sent a letter to Mr. Gill's personal e-mail address
23 accepting Respondent's offer to reduce the civil penalty and to pay the civil penalty proposed
24 by Respondent. The Department set a deadline of April 5, 2019 for Respondent to return the

1 signed consent order along with the first installment payment. The Department did not receive
2 the executed consent order and first payment by April 5, 2019, and Respondent did not
3 otherwise respond to the Department by April 5, 2019.

4 27. To date, the Department has not received a signed consent order or the first payment
5 under the installment plan proposed by Respondent, and the Department has received no other
6 communication from Respondent regarding the proposed consent order.

7 28. On October 11, 2019, the Department attempted to contact the Respondent's regional
8 manager, E.R., by phone. No one answered the phone, and the number the Department called
9 was not equipped to receive voicemail. To date, Respondent has not executed the proposed
10 consent order, provided any payment to the Department, or otherwise responded to the
11 Department.

12 **II. CONCLUSIONS OF LAW**

13 1. From January 1, 2017 until January 19, 2017, Respondent engaged in "deferred
14 deposit advances" as defined in AS 06.50.900(4) by accepting dated checks from persons
15 seeking an advance, holding the checks for a specific period of time before depositing the
16 checks, and paying to the advance recipients the amount of the checks less the charges
17 allowed under the Act.

18 2. From January 1, 2017 until January 19, 2017, Respondent violated AS 06.50.010 by
19 making deferred deposit advances without a DDA license.

20 3. Pursuant to AS 06.01.035(f), Respondent is subject to a civil penalty because it
21 knowingly and intentionally violated AS 06.50.010.

22 **III. ORDER**

23 Pursuant to AS 06.01.030(b), and on the basis of the Findings of Fact and Conclusions of
24 Law, the Department ORDERS Respondent to:

1 1. Pay a civil penalty in the amount of \$25,000.00, plus \$600.00 to reimburse the
2 Department for the costs of its investigation, for a total amount of twenty-five \$25,600.00.
3 This amount is immediately due to the Department.

4 2. Comply with all provisions of the Alaska Deferred Deposit Advances Act and
5 associated regulations.

6 **IT IS SO ORDERED.**

7
8 Julie Anderson, Commissioner
9 Department of Commerce, Community,
10 and Economic Development

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12 12/2/21
13
14 Date

15
16 /s/ Leif Haugen
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18 Leif Haugen, Acting Director
19 Division of Banking and Securities
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