

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

**NOTICE OF INTENT TO ISSUE ORDER
IMPOSING CIVIL PENALTIES**

The Director of 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. STATEMENT OF FACTS

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 under the d/b/a Advance Til Payday.

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

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

1 5. The Department issued DDA License no. 72 to Respondent for Respondent's store
2 located at 618 Gambell Street, Suite A, in Anchorage, Alaska (the "Anchorage Location") on
3 November 30, 2015.

4 6. Respondent's DDA license for the Anchorage Location was set to expire on December
5 31, 2016.

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

8 8. The DDA license for Respondent's Anchorage Location expired on December 31,
9 2016.

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

14 10. On January 30, 2017, the Department received Respondent's renewal application for a
15 DDA license for the Anchorage Location.

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

18 12. Upon request, Respondent provided the Department with a list documenting 66
19 deferred deposit advances that Respondent made at the Anchorage Location to advance
20 recipients from January 1, 2017 until January 19, 2017.

21 13. The amount of deferred deposit advances made by Respondent totaled \$25,750. The
22 amount of fees and finance charges received by Respondent totaled \$4,192.50.

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

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

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

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

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

13 19. On July 20, 2018, the Department received the return receipt for tracking number 7011
14 3500 0002 1237 8981, which was signed by S.G. on July 18, 2018. Respondent did not execute
15 the consent order and did not otherwise respond to the Department.

16 20. On August 16, 2018, the Department e-mailed Mr. Gill at his personal e-mail address
17 and requested a response regarding the proposed consent order that S.G. received on July 20,
18 2018. The Department set a deadline of August 31, 2018 for Respondent to execute the
19 proposed consent order. Respondent did not execute the proposed consent order by August 31,
20 2018.

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

24 22. On September 22, 2018, the Department received an e-mail from Mr. Gill in which Mr.

1 Gill requested that the Department allow Respondent to pay the entire civil penalty proposed in
2 the consent order in installments.

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

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

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

16 26. On March 26, 2019, the Department sent a letter to Mr. Gill's personal e-mail address
17 accepting Respondent's offer to reduce the civil penalty and to pay the civil penalty proposed
18 by Respondent. The Department set a deadline of April 5, 2019 for Respondent to return the
19 signed consent order along with the first installment payment. The Department did not receive
20 the executed consent order and first payment by April 5, 2019, and Respondent did not
21 otherwise respond to the Department by April 5, 2019.

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

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

6 II. CONCLUSIONS OF LAW

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

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

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

16 III. ORDER and NOTICE

17 Pursuant to AS 06.01.030(a)(1) and AS 06.01.035(e) - (g), and on the basis of the
18 Statement of Facts and Conclusions of Law, the Department ORDERS Respondent to:

19 1. Pay a civil penalty in the amount of twenty-five thousand dollars (\$25,000.00), plus
20 six hundred dollars (\$600.00) to reimburse the Department for the costs of its investigation,
21 for a total amount of twenty-five thousand six hundred dollars (\$25,600.00). This amount is
22 immediately due to the Department.

23 2. Pursuant to AS 06.01.030(b), if Respondent desires a hearing, Respondent must
24 request a hearing within 30 days of receipt of this Notice. If Respondent does not request a

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hearing within 30 days, Respondent is considered to have consented to the issuance of an order.

IT IS SO ORDERED.

Julie Anderson, Commissioner
Department of Commerce, Community,
and Economic Development

9/9/2020

Date

/s/ Barbara Reid

Barbara Reid, Acting Director
Division of Banking and Securities