IN THE MATTER OF:  

ORDER NO. 11-737-S

ORDER TO CEASE AND DESIST 
ASSESSING A CIVIL PENALTY 
AND 
CONSENT TO ORDER

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Administrator”), has conducted an investigation into certain business activities of Lorrie Saunders-Irwin (“Respondent”), and has determined that Respondent violated certain provisions of the Alaska Securities Act, Alaska Statute (“AS”) 45.55.

Respondent agrees that the Administrator has jurisdiction over Respondent and these matters pursuant to the Alaska Securities Act.

Respondent wishes to resolve and settle this matter with the Administrator. As evidenced by the authorized signature on this Order, Respondent consents to the entry of this Order assessing a civil penalty based on the Conclusions of Law and Order. Respondent waives her right of appeal under AS 45.55.920(d).

I. FACTS

1. Respondent is a resident of Anchorage, Alaska.

2. In 2004, Respondent offered Alaska resident B.D. an opportunity to invest $18,000 in a company named Medical Financial Services in exchange for a promissory note for
$10,000 with a guaranteed 10% rate of return and a promise of an additional promissory note.

3. Respondent created Medical Financial Services in order to help pre-qualified Alaskans obtain secured loans to finance needed surgical procedures.

4. Medical Financial Services had an active business license, number 421967, in Alaska from February 8, 2002 to December 31, 2003.

5. Medical Financial Services had a physical address at 1843 Parkside Drive, Anchorage, Alaska, 99501, which is also Respondent’s home address.

6. At the end of 2004, B.D. sent three separate wire transfers totaling $18,000 to a bank account at the First National Bank of Alaska, account number 26000, in the name of Medical Financial Services.

7. The promissory note offered and sold to B.D. was not registered with the Administrator, federally covered in compliance with Alaska law, or exempt from registration.

8. Respondent paid the full $18,000 back to B.D. as part of a settlement in a separate legal matter.

9. Respondent has fully cooperated with the Division in this case.

II. CONCLUSIONS OF LAW

1. The promissory note that Respondent offered and sold to B.D. was a “security” as that term is defined in AS 45.55.990(32).

2. Respondent violated AS 45.55.070 because the security offered and sold to B.D. was not registered with the Administrator, federally covered in compliance with Alaska law, or exempt from registration.

3. Respondent is subject to a civil penalty pursuant to AS 45.55.920(b) because Respondent knowingly offered and sold a security to B.D. that was not registered with the Administrator, federally covered in compliance with Alaska law, or exempt from registration.
III. ORDER

The Administrator, pursuant to AS 45.55.920, hereby ORDERS Respondent to:

1. CEASE AND DESIST from offering and selling securities without being registered with the Administrator, federally covered in compliance with Alaska law, or exempt from registration.

2. Comply with all provisions of the Alaska Securities Act, including associated Regulations.

3. Pay a civil penalty in the amount of five thousand dollars ($5,000.00), with four thousand five hundred dollars ($4,500.00) suspended for a period of five (5) years. If Respondent fails to comply with any term or condition of this Order, or if Respondent commits any future violation of the Alaska Securities Act, the suspended portion of the civil penalty will be immediately due.

IT IS SO ORDERED.

SUSAN BELL, Commissioner
Department of Commerce, Community and Economic Development

DATED: May 8, 2014

/\ Kevin Anselm
BY: Kevin Anselm, Director
Division of Banking and Securities

Consent to Entry of Order

I, Lorrie Saunders-Irwin, state that I have read the foregoing Order and that I know and fully understand the Order contents; that I acknowledge violation of the Alaska Securities Act; that I have been advised of the right to a hearing; that I voluntarily and without any force or duress,
consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that I understand that the Administrator reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Alaska Securities Act, and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

DATED: 05/07/2014 /s/ Lorrie Saunders-Irwin
Lorrie Saunders-Irwin

SUBSCRIBED AND SWORN TO before me this 7th day of May, 2014 at Anchorage, Alaska.

/s/ Nadine F. Sene
Notary Public in and for Alaska
Nadine Sene
Notary Printed Name
My commission expires: 03/28/2018

Contact Person: David Newman
Securities Examiner (907) 269-7678