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

ORDER NO: 14-1755-B
ORDER TO CEASE AND DESIST
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 Advance Alaska, LLC ("Advance Alaska") and has determined that Advance Alaska violated certain provisions of AS 06.50 et seq. ("Alaska Deferred Deposit Advances Act").

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

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

I. FACTS

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

2. Advance Alaska owns three deferred deposit advance (payday loan) stores located in Anchorage, Soldotna, and Fairbanks, under thedba: Advance Til Payday.
3. Advance Alaska is not licensed in the State of Alaska to make, or offer to make, deferred deposit advances (payday loans) in Alaska.

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

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

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

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

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

9. As of the date of this Order, management of Advance Alaska, LLC provided the
Department with a list of 141 instances where advances were made to advance recipients from June 25, 2014 through July 15, 2014. The amount due for refunds of fees and finance charges totaled $7,295.00. Copies of the refund checks that were mailed to advance recipients were provided to the Department.

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

II. CONCLUSIONS OF LAW

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

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

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

III. ORDER

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

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

2. Pay a civil penalty in the amount of twelve thousand five hundred dollars ($12,500), plus six hundred dollars ($600) to reimburse the Department for the costs of its investigation, for a total amount of thirteen thousand one hundred dollars ($13,100).
3. Within 60 days of the execution of this Order, make refunds of all fees and finance charges to advance recipients receiving a payday loan from June 25, 2014 through July 15, 2014 and provide evidence of such through an external audit of the refund procedures and outcome. The audit shall be conducted by an external auditor approved by the Department. A copy of the external audit report shall be provided to the Department and include:

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

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

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

   b. A check made out to “State of Alaska – Unclaimed Property Program” for the balance owed to the advance recipients for checks mailed under this paragraph, but remain uncashed by the date of the spreadsheet and, for each advance recipient whose check remains uncashed, a list for the use of the Alaska Department of Revenue, Treasury Division, Unclaimed Property Program, including a notice that the information is given under penalty of unsworn falsification, with the advance recipient’s name, the last known mailing and
physical address, telephone and/or cellular numbers, email address, loan date(s) and account number(s), and the date the amount became payable under this Order.

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

IT IS SO ORDERED.

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

/s/ Kevin Anselm
Kevin Anselm, Director
Division of Banking and Securities

Consent to Entry of Order

Michael R. Gill, as authorized representative of Advance Alaska, LLC ("Advance Alaska"), acknowledges that he has read the foregoing Order and that he agrees with the terms contained in the Order; that Advance Alaska voluntarily and without any force or duress, consents to the entry of this Order as settlement of the issues contained in this Order; that Advance Alaska expressly waives any right to a hearing in this matter; that Advance...
Alaska understands that the Department reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Alaska Deferred Deposit Advances Act, and that Advance Alaska will fully comply with the terms and conditions stated herein.

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

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

Date

3/31/15

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

SUBSCRIBED AND SWORN TO before me this 31st day of March, 2015 at

Spokane, WA

/s/ Nancy K Blades
Nancy K Blades
Notary Public and for Spokane, WA

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

Advance Alaska, LLC
Order to Cease and Desist Imposing a Civil Penalty

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