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

ORDER NO: 17-208-B
ORDER ASSESSING CIVIL PENALTIES AND CONSENT TO ORDER

In the matter of:
Capital Premium Financing, Inc.
Respondent.

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 Capital Premium Financing, Inc. (“Respondent”) and has determined that Respondent violated certain provisions of AS 06.40 et seq. (“Alaska Premium Financing Act”). Respondent agrees that the Department has jurisdiction over Respondent and these matters pursuant to the Alaska Premium Financing Act.

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

I. FINDINGS OF FACT

1. Respondent is a corporation organized under the laws of the State of Idaho, file no. C-87265, and maintains a principal place of business at 12235 South 800 East, Draper, Utah, 84020. CT Corporation System is the Registered Agent.

2. Respondent provides commercial insurance premium loans to business clients in Alaska.
3. Respondent has no physical office in Alaska and operates through established client insurance agency relationships.


5. On October 28, 2016, the Department sent a letter to Respondent. The letter notified Respondent that Respondent was required to complete an application in order to renew its license. The letter also requested that Respondent complete additional forms on the Department’s website. The letter requested Respondent to provide the renewal application and forms no later than December 20, 2016.

6. On November 10, 2016, Respondent contacted the Department regarding the renewal application and requested information. On November 11, 2016, the Department sent Respondent information concerning the requirements.

7. The Department did not receive a renewal application or the requested information from Respondent by December 20, 2016.

8. On January 5, 2017, the Department sent a letter to Respondent notifying Respondent that its license had expired, and “you may be subject to enforcement action for any new business performed as of January 1, 2017,” that Respondent would have to reapply for a license to continue doing business in Alaska, and that Respondent would be responsible for filing its annual report by March 15, 2017. The letter informed Respondent that it was required to notify the Department at the Department’s e-mail address by January 12, 2017 of its decision to either reapply for a license or cease doing business in Alaska.

9. On January 12, 2017, Respondent contacted the Department by telephone and informed the Department that Respondent intended to continue doing business in Alaska. Respondent claimed that it had never received clarification regarding its inquiry of November
10, 2017 regarding license renewal. The Department resent to Respondent the information the Department had sent to Respondent on November 11, 2016.

10. On March 21, 2017, the Department sent Respondent a letter notifying Respondent that Respondent had failed to file its annual report by March 15, 2017. Respondent erroneously interpreted this notification (within the context of prior and subsequent communications with the Department) as an indication that the Department was accommodating Respondent’s efforts to provide the necessary licensing information while it continued its business operations.

11. On April 24, 2017, the Department received Respondent’s annual report.

12. On June 9, 2017, Respondent filed its application for an Alaska Premium Financing Company License. However, Respondent did not complete an affidavit, as part of the renewal application, certifying that it had not offered premium financing in Alaska without being licensed.

13. On June 19, 2017, the Department requested that Respondent complete the affidavit and provide the other documents required as part of Respondent’s application no later than August 19, 2017.

14. On July 25, 2017, the Department received the information. In its affidavit, Respondent disclosed that it had engaged in unlicensed premium financing activities in Alaska.

15. On July 31, 2017, the Department sent a letter to Respondent, informing Respondent that the Department had received Respondent’s information, but that the Department required additional information regarding Respondent’s unlicensed premium financing activities. The Department requested that it receive this information no later than August 28, 2017. The Department stated in its letter that this matter had been referred to the enforcement section.
16. On August 9, 2017, the Department received from Respondent the information the
Department had requested on July 31, 2017.

17. On September 5, 2017, the Department requested additional documents from
Respondent and informed Respondent that its application was pending. The Department further
informed Respondent that “you may be subject to enforcement action for any new business
performed as of January 1, 2017.”

18. On September 7, 2017, Respondent informed the Department that it had originated
164 premium finance agreements to Alaska customers and collected $33,743.49 in interest,
fees, and service charges.

19. Respondent does not dispute the Department's determinations.

II. CONCLUSIONS OF LAW

1. Respondent acted as a “premium finance company” in Alaska as that term is defined
in AS 06.40.190(4) by acquiring premium finance agreements from insurance agents or brokers
from Alaska business clients.

2. Respondent violated AS 06.40.010 by entering into premium finance agreements in
Alaska from January 1, 2017 to October 24, 2017 without being licensed.

3. Respondent is subject to a civil penalty under AS 06.01.035(f) because it violated
AS 06.40.010 and AS 06.40.100(c).

4. Respondent violated AS 06.40.100(c) by filing its annual report 40 days late.

III. ORDER

Pursuant to AS 06.01.035, and based on the Findings of Fact and Conclusions of
Law, it is hereby ORDERED:

1. Respondent shall pay a civil penalty in the amount of fifty thousand dollars
($50,000.00).
2. This Order is a publicly disclosable document.

IT IS SO ORDERED.

December 4, 2017
/s/ Kevin Anselm
Date

Kevin Anselm, Director
Division of Banking and Securities

Consent to Entry of Order

David F. Gabrielsen, CEO, as authorized representative of Capital Premium Financing, Inc. ("Respondent"), acknowledges that he has read the foregoing Order and that he knows and fully understands the Order contents; that Respondent has been represented by counsel in this matter; that Respondent understands the Department’s findings of violation of the Alaska Premium Financing Act; that Respondent acknowledges violation of the Alaska Premium Financing Act; that Respondent voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving its right to a hearing in this matter; that Respondent understands that the Department reserves the right to take appropriate action upon discovery of
other violations of the Alaska Premium Financing Act, and that Respondent will fully comply with the terms and conditions stated herein.

Respondent assures the Department that Respondent and its officers and employees will only effect premium financing activity in Alaska in full compliance with the terms of this Order and the Alaska Premium Financing Act.

12/1/17

Date

/s/ David F. Gabrielsen

David F. Gabrielsen, Chairman & CEO of Capital Premium Financing, Inc.

SUBSCRIBED AND SWORN TO before me this 1st day of Dec., 2017 at Capital Premium Financing, Inc.

/s/ Andrew Neil Northrup

Notary Public in and for David Gabrielsen
Notary Printed Name Andrew Neil Northrup
My Commission expires: 11/30/17

Approved as to form and content:

1 December 2017

Date

/s/ Earl Jay Peck

Earl Jay Peck, Attorney for Capital Premium Financing, Inc.