

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

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

**ORDER NO: 17-208-B**  
**ORDER**  
**ASSESSING CIVIL PENALTIES**  
**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 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.

1           3. Respondent has no physical office in Alaska and operates through established client  
2 insurance agency relationships.

3           4. Respondent held an Alaska Premium Finance Company License from February 25,  
4 2008 to December 31, 2016.

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

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

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

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

22          9. On January 12, 2017, Respondent contacted the Department by telephone and  
23 informed the Department that Respondent intended to continue doing business in Alaska.  
24 Respondent claimed that it had never received clarification regarding its inquiry of November

1 10, 2017 regarding license renewal. The Department resent to Respondent the information the  
2 Department had sent to Respondent on November 11, 2016.

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

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

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

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

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

18 15. On July 31, 2017, the Department sent a letter to Respondent, informing  
19 Respondent that the Department had received Respondent's information, but that the  
20 Department required additional information regarding Respondent's unlicensed premium  
21 financing activities. The Department requested that it receive this information no later than  
22 August 28, 2017. The Department stated in its letter that this matter had been referred to the  
23 enforcement section.

1 16. On August 9, 2017, the Department received from Respondent the information the  
2 Department had requested on July 31, 2017.

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

7 18. On September 7, 2017, Respondent informed the Department that it had originated  
8 164 premium finance agreements to Alaska customers and collected \$33,743.49 in interest,  
9 fees, and service charges.

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

## 11 **II. CONCLUSIONS OF LAW**

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

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

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

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

## 20 **III. ORDER**

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

23 1. Respondent shall pay a civil penalty in the amount of fifty thousand dollars  
24 (\$50,000.00).

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2. This Order is a publicly disclosable document.

**IT IS SO ORDERED.**

MIKE NAVARRE, Commissioner  
Department of Commerce, Community and  
Economic Development

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

1 other violations of the Alaska Premium Financing Act, and that Respondent will fully comply  
2 with the terms and conditions stated herein.

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

6  
7 12/1/17  
8 Date

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

9  
10 SUBSCRIBED AND SWORN TO before me this 1st day of Dec., 2017 at  
Capital Premium Financing, Inc. \_\_\_\_\_.

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

14  
15 **Approved as to form and content:**

16 1 December 2017  
Date

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

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