

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

OVERVIEW Division of Banking and Securities

Director Patrice Walsh February 8, 2019



Promoting a healthy financial system for commerce while fostering safe and sound financial services for the protection of Alaska's consumers.



What does DBS do?

- Charter, license and register financial entities, institutions, salespersons and products and accept filings
- Examine licensees for compliance and investigate complaints relating to regulated industries and persons
- Provide financial education and information to consumers, industry, small businesses and investors
- Accept Alaska Native Claims Settlement Act corporation and shareholder proxy filings.



Regulated Financial Services

- State banks, credit unions, trust companies
- Business Industrial Development Corporations (BIDCO)
- Premium finance companies, small loan companies, payday lenders
- Mortgage lenders, loan originators, money service businesses
- Securities broker-dealers, investment advisers, sales agents
- Securities issuers and agents
- Mutual funds, federal covered securities
- Alaska Native Claims Settlement Act (ANCSA) Corporation and shareholder proxy filings



2018 by the Numbers

Securities: 1,246 broker-dealers; 848 investment advisers; 98,600+ salespersons

Securities registrations/filings: 7,000+ mutual fund/unit investment trust filings; 542 securities registrations

State financial institutions: 5 depositories; 4 trust companies

Mortgage broker/lenders: 605 offices; 2,405 originators

Money service businesses: 99 companies

Other financial services entities: 62 individuals/organizations

ANCSA: 1549 proxy related filings; 137 public record requests

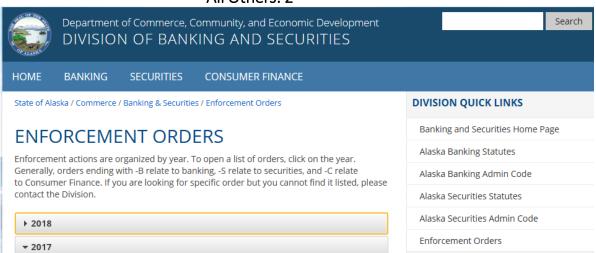


In 2018, the Division issued 28 final Enforcement Actions

Securities: 5 Money Service Businesses: 6

ANCSA related: 2 Mortgage lending: 10

All Others: 2



commerce.alaska.gov/web/dbs/enforcementorders.aspx



Major Accomplishments in 2018

Alaska Securities Act – The Alaska Securities Act was signed into law in June 2018 which modernized the securities law and improves investor protections and enforcement provisions. It created a new chapter to separate securities from the Alaska Native Claims Settlement Act provision.

Assessment Fees – Semi-annual assessment fees for state chartered banks and credit unions were recalculated and adopted. The fees were last updated over twenty-five years ago and did not reflect significant changes in the regulation and examination of financial institutions implemented since the national financial crisis of 2007-2008.

Money Service Businesses – Licensing of money service businesses was transitioned from paper applications to the Nationwide Multistate Licensing System (NMLS) electronic registry. This was accomplished after promulgating new regulations. New applicants and current licensees benefit from streamlined electronic licensing and periodic reporting processes while the Division is able to see and follow up on deficiencies set by other states.

Alaska Native Claims Settlement Act (ANCSA) Filings and Request – A Financial Examiner position was approved to address the continued growth in the ANCSA filings, request for investigation, and public information request. The number of filing increased 22% over the double digit increase in FY 2017, and public information request increase 19%. The Division began assessing fees to ANCSA corporations to help cover the cost of regulation.

Securities Settlement – A multistate enforcement case was settled with LPL Financial LLC regarding the sages of unregistered, non-exempt securities. Forty-nine states signed the order with Alaska receiving \$499,000 in civil penalties. The settlement sends a strong message that states serve a vital role in protecting investors by holding firms accountable.



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