

STATE OF ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMEN DIVISION OF BANKING AND SECURITIES 550 WEST SEVENTH AVENUE, SUITE 1850 ANCHORAGE, ALASKA 99501 (907)269-8140

> Charles E. Fagerstrom Consent Order

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SNC has certified to the Administrator that it has more than 500 shareholders and
 total assets exceeding \$1,000,000.

4. On or about the first week of May 2017, Respondent mailed a letter (the "Letter") to
over 1,000 SNC shareholders. The return address box on the Letter identified the sender as
"SNC Shareholders for Free Speech." The Letter did not identify Respondent or any other
person as being the sender.

5. The Letter stated: "[V]oting your OWN [sic] proxy can help STOP

[sic]:[...][u]nethical voting processes."

6. Respondent stated to the Administrator that he authored and distributed the Letter.

7. The Letter was not preceded or accompanied by a dated, written proxy statement disclosing, among other information, the name and address of each participant, including each proxyholder, who has joined or proposes to join in the solicitation.

8. Respondent stated to the Administrator that the "unethical voting processes" he
referred to in the Letter referred to SNC board members using discretionary proxies in the
election of directors.

9. Alaska law and SNC bylaws allow shareholders, including board members, to use
discretionary proxies and to cumulate votes in the election of directors.

II. CONCLUSIONS OF LAW

19 1. Respondent is subject to the filing requirements of AS 45.55.139 because he is a
20 shareholder of SNC and SNC is subject to the filing requirements.

21 2. The Letter distributed by Respondent to SNC shareholders is a "proxy statement" as

22 defined in 3 AAC 08.365(14) because it is a communication that was made available to

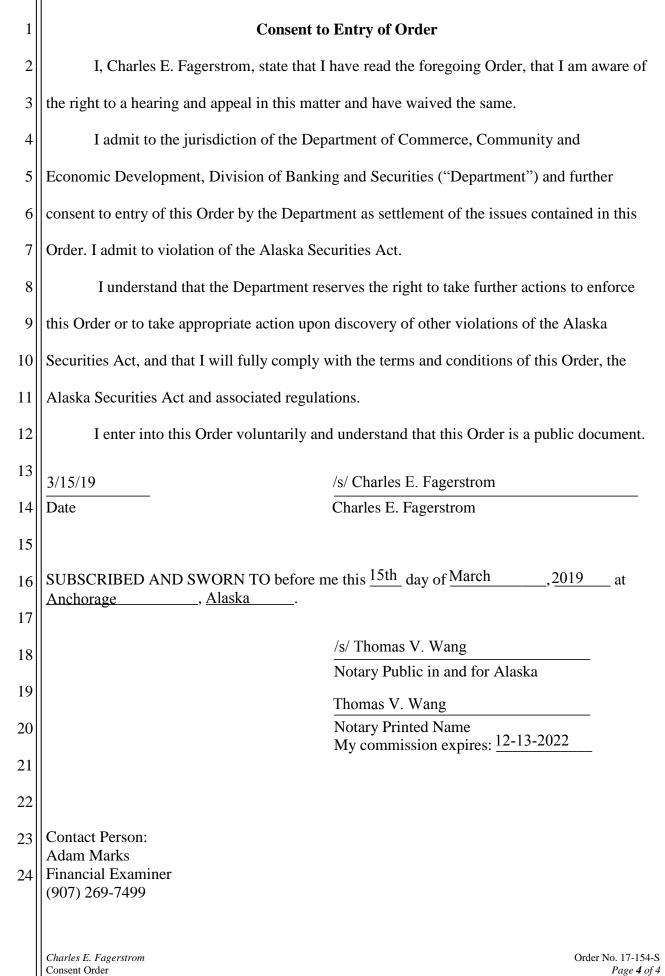
23 shareholders under circumstances reasonably calculated to result in the procurement,

24 withholding, or revocation of a proxy.

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1	3. Respondent violated 3 AAC 08.315(a) by materially misrepresenting that the use of
2	discretionary proxies is unethical, as Alaska law and SNC's bylaws allow for the use of
3	discretionary proxies.
4	4. Respondent violated 3 AAC 08.355(2) by anonymously distributing proxy
5	solicitations.
6	5. Respondent violated 3 AAC 08.355(4) by failing to file with the Administrator the
7	required disclosures relating to proxy solicitation.
8	6. Respondent is subject to a civil penalty pursuant to AS 45.55.920(c) because he
9	violated 3 AAC 08.315(a), 3 AAC 08.355(2) and 3 AAC 08.355(4).
10	III. ORDER
11	Pursuant to AS 45.55.920, and on the basis of the Findings of Fact and Conclusions of
12	Law, the Administrator ORDERS Respondent to:
13	1. Pay a civil penalty in the amount one thousand five hundred dollars $($1,500)$. ¹
14	2. Comply with all provisions of the Alaska Securities Act and associated regulations.
15	This Order is a publicly disclosable document.
16	IT IS SO ORDERED.
17	Julie Anderson, Commissioner Department of Commerce, Community and
18	Economic Development
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20	DATED: 3-29-2019 /s/ Patrice Walsh BY: Patrice Walsh, Director
21	Division of Banking and Securities
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	¹ The Administrator received a check for \$1,500 from Respondent on March 15, 2019, constituting payment in full and satisfaction of the civil penalty.

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