

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

In the matter of:)
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SOSDISASTERPLAN.COM, INC.;)
MARTIN WADE BARTEL; and)
FREDERICK MILLER)
)
)
Respondents.)

ORDER NO. 12-607-S
TEMPORARY CEASE AND DESIST
ORDER EFFECTIVE IMMEDIATELY,
ASSESSING CIVIL PENALTIES,
WITH NOTICE OF HEARING RIGHTS
and
NOTICE OF FINAL CEASE AND DESIST
ORDER

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Administrator”), has conducted an investigation into certain business activities of SOSdisasterplan.com, Inc. (“SOS”), Martin Wade Bartel (“Bartel”) and Frederick Miller (“Miller”) (collectively, “Respondents”), and has determined that Respondents violated certain provisions of the Alaska Securities Act, Alaska Statute (“AS”) 45.55 *et seq.*

I. FACTS

1. Bartel is a resident of Willow, Alaska.
2. Miller is a resident of Palmer, Alaska.
3. Bartel and Miller formed SOS as an Alaska corporation (entity #126418) on February 9, 2010. Miller was the registered agent for SOS. According to corporation records, Bartel owned 68% and Miller owned 20% of SOS.
4. Bartel was president and Miller served as an officer of SOS.
5. SOS’s business plan dated February 9, 2010 stated that the company’s goal was to become the market leader in providing online disaster preparedness tools by, among

1 other things, completing programming and website portals for SOS.

2 6. Between May 26, 2010 and May 11, 2012, 26 individual investors (15 of
 3 whom were Alaskan residents) bought either Class A Preferred or Class B Preferred shares in
 4 SOS, with sales totaling \$540,000.

Date Purchased	Investor	Share Class	Amount Invested
5/26/2010	J.H.	A	\$25,000
9/14/2010	O.T.	A	\$10,000
9/14/2010	D.T. & M.T.	A	\$10,000
9/14/2010	A.D. & T.D.	A	\$10,000
5/24/2010	T.S.	A	\$10,000
7/6/2010	R.R.	A	\$25,000
7/9/2010	J.D.	A	\$25,000
5/10/2010	J.F.	A	\$25,000
3/7/2010	J.S.	A	\$50,000
4/7/2010	D.C.	A	\$25,000
3/25/2010	R.N.	A	\$25,000
4/11/2010	P.J.	A	\$25,000
7/2/2010	P.J.	A	\$25,000
4/22/2010	K.W.	A	\$25,000
7/8/2010	D.R.	A	\$25,000
7/?/2010	A.D.	A	\$25,000
4/28/2010	R.W.	A	\$25,000
4/23/2010	V.F.I.P.	A	\$25,000
5/20/2011	L.M. & D.M.	A	\$10,000
3/1/2011	B.H.	A	\$25,000
5/20/2011	E.C.	A	\$10,000
5/20/2011	S.J.	A	\$10,000
5/20/2011	B.Y.	A	\$5,000
5/24/2011	A.C.	A	\$2,500
5/11/2011	M.C. & J.C.	B	\$25,000
5/24/2011	A.C.	B	\$22,500
5/24/2011	S.B.	B	\$10,000
5/20/2011	B.Y.	B	\$5,000
Total:			\$540,000

1 7. Purchasers of Class A Preferred stock signed a subscription agreement. The
2 agreement stated: “The Company is not a participant in any joint venture, partnership or
3 similar arrangement.” In the subscription agreements, Purchasers of Series A Preferred stock
4 were promised 3% of the original purchase price as cumulative annual dividends, to be
5 distributed “whenever funds are legally available and when and as declared by the Board.”

6 8. Respondents did not file a Securities and Exchange Commission (SEC) form
7 D with the SEC, register with the Administrator, or qualify for an exemption in Alaska when
8 they began selling the Preferred stock to investors on March 7, 2010.

9 9. On June 22, 2010, Respondent Bartel filed the SEC form D with the SEC. On
10 June 30, 2010, Bartel notice filed the form D and \$600 in filing fees with the Administrator
11 indicating that Respondents were seeking to have the SOS stock treated as federally covered
12 under the safe harbor provisions of Rule 506 of Regulation D under the Securities Act of
13 1933. Under Alaska law, this notice filing must be made within 15 days of the first sale in
14 Alaska.

15 10. SOS’s physical address at 59429 S. Parks Highway, Milepost 88, Willow, AK
16 99688, was also the address for the Sheep Creek Lodge. The Sheep Creek Lodge (entity #
17 56415D) was purchased by Miller and his wife in 2004, with the prior owner, J.K., carrying
18 the contract. Because of non-payment, the property was repossessed by J.K. in 2012.

19 11. Beyond Dreams is an Alaska corporation (entity # 97587) and restaurant
20 formed by Miller and his wife in 2005. According to records with the Division of
21 Corporations, Business and Professional Licensing of the Department of Commerce,
22 Community and Economic Development, in November 2007, Beyond Dreams’ address
23 changed to 59429 S. Parks Highway, Milepost 88, Willow, AK 99688. This is the same
24 address as the Sheep Creek Lodge and SOS. Beyond Dreams was involuntarily dissolved in

1 2013. Nowhere in the SOS business plan or the business plan extension (dated February
2 2011) does it discuss Beyond Dreams as a joint venture.

3 12. Miller and Bartel jointly controlled SOS's bank accounts. SOS had three
4 accounts: an investor account (#15009982)("investor account") into which investor funds
5 were deposited; a debit account (#1515712)("debit account"), which was attached to a debit
6 card; and a payroll account (#1509990)("payroll account"), which purportedly funded SOS
7 employees' payroll.

8 13. In 2010, \$43,984.92 from SOS's accounts went to Beyond Dreams. On May
9 18, 2010, there was a check made to Beyond Dreams, Inc., for \$40,000 from the investor
10 account, signed by who appears to be Fred Miller. This check was endorsed "Beyond
11 Dreams, Inc." Additionally, bank records show that Beyond Dreams received the following
12 amounts: \$1,057 in August, September, October and November 2010 from the investor
13 account; \$1,576 in August 2010 from the debit account; and \$1,351.92 in August 2010 from
14 the payroll account.

15 14. Bank records show the following payments made from the investor account to
16 Bartel's sons:

Date	Recipient	Amount
May 12, 2010	Marc Bartel	\$60
May 20, 2010	Kenneth Bartel	\$2,500
June 1, 2010	Kenneth Bartel	\$1,000
July 1, 2010	Marc Bartel	\$929.81
July 16, 2010	Marc Bartel	\$929.81
June 7, 2011	Kenneth Bartel	\$110.88
	Total:	\$5,530.50

22 15. Bank records evidence multiple retail purchases not ordinarily connected to
23 development of a website. Specifically, the SOS debit account records show the following
24 purchases:

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Date	Recipient	Amount
May 1, 2010	Hartley Motors	\$2,152.00
June 1, 2010	Sea Galley Restaurant	\$96.20
June-August 2010	Monavie (energy drink)	\$1,193.55
November 1, 2010	Ducks Unlimited	\$740.00
November 8, 2010	WalMart	\$14.74
October 1, 2010	Friends of the NRA	\$1,500.00
June 1, 2010	Payless Shoes	\$14.99
June 1, 2010	Famous Footwear	\$39.99
September 1, 2011	Burger King	\$14.97
September 1, 2011	City Diner	\$30.40
June 1, 2011	Grillfish Restaurant	\$135.34
July 1, 2011	Wendy's	\$18.79
June 2010-October 2011	Tesoro	\$379.38
June 2010 -September 2011	Holiday Station Store	\$700.05
May 1, 2010	Sam's Club	\$67.67
May - August 2010	Costco	\$5,162.95
July 2010 - April 2011	Fred Meyer	\$105.77
May 2010 - September 2011	Tru Value	\$232.52
August 1, 2011	Lowe's	\$51.41
May 2010 - September 2011	Home Depot	\$162.79
	Total:	\$12,813.51

16. By February 2012, all of SOS's bank accounts were near a zero balance. In February 2012, the investor account had \$74.98, the debit account had \$34.95, and the payroll account had \$147.05. SOS was involuntarily, administratively dissolved by the state of Alaska in 2013.

17. Nothing in the record indicates that any purchasers of Series A Preferred Stock received returns as promised in the subscription agreement.

II. CONCLUSIONS OF LAW

1. The investments offered and sold by SOS were "securities" as that term is defined in AS 45.55.990(32) of the Alaska Securities Act.

2. Respondents violated AS 45.55.070 by offering and selling securities to

1 investors that were not registered with the Administrator, federally covered in compliance with
2 Alaska law, or exempt from registration between March 7 and June 30, 2010.

3 3. Respondents violated AS 45.55.010 by fraudulently misrepresenting that
4 investor money would be spent on website development and then diverting that money to other
5 businesses and non-business purposes.

6 4. Respondents are subject to civil penalties under AS 45.55.920(b) for violating
7 AS 45.55.070 and AS 45.55.010.

8 III. ORDER and NOTICE

9 Pursuant to AS 45.55.920, and on the basis of the Findings of Fact and Conclusions of
10 Law, the Administrator ORDERS Respondents to:

- 11 1. CEASE AND DESIST from defrauding investors in the State of Alaska.
- 12 2. Comply with all provisions of the Alaska Securities Act and associated
13 regulations.
- 14 3. Pay a civil penalty in the amount of seventy-five thousand dollars (\$75,000).¹

15 Respondents are jointly and severally liable for complying with the terms of this Order,
16 including payment of the civil penalty.

17 Pursuant to AS 45.55.920(d), each Respondent desiring a hearing must file a separate
18 request for a hearing within fifteen (15) days after receipt of this Order. The request for a
19 hearing must be in writing, must be directed to the Administrator, and must state the grounds
20 for the request to set aside or modify the Order. This Order takes effect immediately, remains
21 in effect until ten (10) days after the hearing is held, and becomes final if a hearing is not
22 requested within fifteen (15) days after the receipt of this notice.

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¹\$25,000 per Respondent.

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES
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This Order is a publicly disclosable document.

IT IS SO ORDERED.

CHRIS HLADICK, Commissioner
Department of Commerce, Community and
Economic Development

DATED: March 21, 2016

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