

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
NOTICE OF FINAL CEASE AND DESIST
ORDER
ASSESSING CIVIL PENALTIES
AS TO SOSDISASTERPLAN.COM, INC.
AND FREDERICK MILLER

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. BACKGROUND

On March 21, 2016, the Administrator sent a Temporary Cease and Desist Order Effective Immediately, Assessing Civil Penalties, with Notice of Hearing Rights and Notice of Final Cease and Desist Order (“Temporary Order”) by certified mail to all of the Respondents. On March 25, 2016, the Administrator sent additional copies of the Temporary Order to all of the Respondents via first class mail. The Administrator sent copies of the Temporary Order to Bartel at his residential address in Willow, Alaska. The Administrator sent copies of the Temporary Order to Miller, in his personal capacity and in his capacity as the registered agent for SOS, to his residential address in Anchorage, Alaska.

1 All documents addressed to Bartel were returned to the Administrator as
2 undeliverable. On April 1, 2016, the Administrator sent a copy of the Temporary Order to
3 Bartel's attorney, Phillip Weidner. Through Mr. Weidner, Bartel requested a hearing on
4 April 15, 2016.

5 Only the copy of the Temporary Order sent to Miller and SOS via certified mail was
6 returned to the Administrator as undeliverable. The copy sent via first class mail was not
7 returned, and is presumed delivered. To date, neither Miller nor SOS has requested a hearing.

8 II. FACTS

- 9 1. Bartel is a resident of Willow, Alaska.
- 10 2. Miller is a resident of Anchorage, Alaska.
- 11 3. Bartel and Miller formed SOS as an Alaska corporation (entity #126418) on
12 February 9, 2010. Miller was the registered agent for SOS. According to corporation records,
13 Bartel owned 68% and Miller owned 20% of SOS.
- 14 4. Bartel was president and Miller served as an officer of SOS.
- 15 5. SOS's business plan dated February 9, 2010 stated that the company's goal
16 was to become the market leader in providing online disaster preparedness tools by, among
17 other things, completing programming and website portals for SOS.
- 18 6. Between May 26, 2010 and May 11, 2012, 26 individual investors (15 of
19 whom were Alaskan residents) bought either Class A Preferred or Class B Preferred shares in
20 SOS, with sales totaling \$540,000.

21 Date Purchased	Investor	Share Class	Amount Invested
22 5/26/2010	J.H.	A	\$25,000
23 9/14/2010	O.T.	A	\$10,000
24 9/14/2010	D.T. & M.T.	A	\$10,000
9/14/2010	A.D. & T.D.	A	\$10,000

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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

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

8. Respondents did not file a Securities and Exchange Commission (SEC) form D with the SEC, register with the Administrator, or qualify for an exemption in Alaska when

1 they began selling the Preferred stock to investors on March 7, 2010.

2 9. On June 22, 2010, Respondent Bartel filed the SEC form D with the SEC. On
3 June 30, 2010, Bartel notice filed the form D and \$600 in filing fees with the Administrator
4 indicating that Respondents were seeking to have the SOS stock treated as federally covered
5 under the safe harbor provisions of Rule 506 of Regulation D under the Securities Act of
6 1933. Under Alaska law, this notice filing must be made within 15 days of the first sale in
7 Alaska.

8 10. SOS's physical address at 59429 S. Parks Highway, Milepost 88, Willow, AK
9 99688, was also the address for the Sheep Creek Lodge. The Sheep Creek Lodge (entity #
10 56415D) was purchased by Miller and his wife in 2004, with the prior owner, J.K., carrying
11 the contract. Because of non-payment, the property was repossessed by J.K. in 2012.

12 11. Beyond Dreams is an Alaska corporation (entity # 97587) and restaurant
13 formed by Miller and his wife in 2005. According to records with the Division of
14 Corporations, Business and Professional Licensing of the Department of Commerce,
15 Community and Economic Development, in November 2007, Beyond Dreams' address
16 changed to 59429 S. Parks Highway, Milepost 88, Willow, AK 99688. This is the same
17 address as the Sheep Creek Lodge and SOS. Beyond Dreams was involuntarily dissolved in
18 2013. Nowhere in the SOS business plan or the business plan extension (dated February
19 2011) does it discuss Beyond Dreams as a joint venture.

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

1 13. In 2010, \$43,984.92 from SOS’s accounts went to Beyond Dreams. On May
 2 18, 2010, there was a check made to Beyond Dreams, Inc., for \$40,000 from the investor
 3 account, signed by who appears to be Fred Miller. This check was endorsed “Beyond
 4 Dreams, Inc.” Additionally, bank records show that Beyond Dreams received the following
 5 amounts: \$1,057 in August, September, October and November 2010 from the investor
 6 account; \$1,576 in August 2010 from the debit account; and \$1,351.92 in August 2010 from
 7 the payroll account.

8 14. Bank records show the following payments made from the investor account to
 9 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

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

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

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

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

1 **III. ORDER and NOTICE**

2 Pursuant to AS 45.55.920, and on the basis of the Findings of Fact and Conclusions of
3 Law, the Administrator ORDERS Respondents SOS and Miller to:

- 4 1. CEASE AND DESIST from defrauding investors in the State of Alaska.
5 2. Comply with all provisions of the Alaska Securities Act and associated
6 regulations.
7 3. Pay a civil penalty in the amount of seventy-five thousand dollars (\$75,000).¹
8 Respondents are jointly and severally liable for complying with the terms of this Order,
9 including payment of the civil penalty.

10 Pursuant to AS 45.55.940(a), Respondents may obtain review of this Final Order in
11 the Superior Court by filing a notice of appeal pursuant to the Alaska Rules of Appellate
12 Procedure. Pursuant to Appellate Rule 602(a)(2), the notice of appeal must be filed within 30
13 days from the date this Final Order is mailed or otherwise distributed to Respondents.

14 This Order is a publicly disclosable document.

15 **IT IS SO ORDERED.**

16
17 CHRIS HLADICK, Commissioner
18 Department of Commerce, Community and
19 Economic Development

20 DATED: June 10, 2016

/s/ Kevin Anselm

21 BY: Kevin Anselm, Director
22 Division of Banking and Securities
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¹\$25,000 per Respondent.