

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

4 IN THE MATTER OF: ) ORDER NO. 16-137-S  
5 STEVE POTTER ) ORDER TO CEASE AND DESIST,  
6 ) IMPOSING CIVIL PENALTIES  
7 ) AND  
8 Respondent. ) CONSENT TO ORDER  
9 )

10 The Director of the Department of Commerce, Community, and Economic  
11 Development, Division of Banking and Securities (“Administrator”), has conducted an  
12 investigation into certain activities of Steve Potter (“Respondent”), and has determined that  
13 Respondent violated certain provisions of the Alaska Securities Act, Alaska Statute (AS)  
14 45.55 *et seq.*

15 **I. FINDINGS OF FACT**

- 16 1. Respondent is a shareholder of Sitnasuak Native Corporation (“SNC”).  
17 2. SNC is organized pursuant to the Alaska Native Claims Settlement Act  
18 (“ANCSA”), 43 U.S.C. 1601 *et seq.*  
19 3. SNC has certified to the Administrator that it has more than 500 shareholders  
20 and total assets exceeding \$1,000,000.  
21 4. On February 4, 2016, a letter to the editor, (attached as Exhibit 1), which was  
22 written by Respondent, appeared in the Nome Nugget newspaper. That letter stated that  
23 “shareholders’ voting rights [were being] coerced from shareholders [by the board of  
24 directors]” and that “like Bering Straits [Native Corporation] (BSNC), it is time to end the

1 abuse, mistrust, and shame [discretionary proxy voting] has brought to [SNC].” The letter  
2 was not filed with the Administrator.

3 5. Respondent admitted that he knew of no instances in which shareholders’ voting  
4 rights were being coerced.

5 6. BSNC continues to use discretionary proxy voting.

6 **II. CONCLUSIONS OF LAW**

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

9 2. The February 4, 2016 letter to the editor of the Nome Nugget is a “proxy  
10 solicitation” as defined in 3 AAC 08.365(16) because it is reasonably calculated to result in the  
11 procurement, withholding, or revocation of a proxy.

12 3. Respondent violated AS 45.55.139 by failing to file the February 4, 2016 letter to  
13 the editor with the Administrator.

14 4. Respondent violated 3 AAC 08.315(a) by materially misrepresenting that SNC’s  
15 board of directors coerced shareholders’ voting rights and that BSNC had ended discretionary  
16 proxy voting.

17 5. Respondent is subject to a civil penalty pursuant to AS 45.55.920(c) because he  
18 violated AS 45.55.139 and 3 AAC 08.315(a).

19 **III. ORDER**

20 Pursuant to AS 45.55.920, and on the basis of the Findings of Fact and Conclusions of  
21 Law, the Administrator ORDERS:

22 1. Respondent to CEASE AND DESIST from violating the Alaska Securities Act.

23 2. Respondent to comply with all provisions of the Alaska Securities Act, including  
24 associated regulations.

1 4. Respondent to pay a civil penalty in the amount of seven hundred fifty dollars  
2 (\$750), with seven hundred fifty dollars (\$750) suspended for a period of five years. If  
3 Respondent commits any violation of the Alaska Securities Act during this period, the  
4 suspended portion of the civil penalty will be immediately due.

5 This Order is a publicly disclosable document.

6 **IT IS SO ORDERED.**

7 Chris Hladick, Commissioner  
8 Department of Commerce, Community and  
9 Economic Development

10 DATED: August 4, 2016 \_\_\_\_\_

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

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1 **Consent to Entry of Order**

2 I, Steve Potter, state that I have read the foregoing Order, that I am aware of the right  
3 to a hearing and appeal in this matter and have waived the same.

4 I admit to the jurisdiction of the Department of Commerce, Community and  
5 Economic Development, Division of Banking and Securities (“Department”) and further  
6 consent to entry of this Order by the Department as settlement of the issues contained in this  
7 Order. I admit to violation of the Alaska Securities Act.

8 I understand that the Department reserves the right to take further actions to enforce  
9 this Order or to take appropriate action upon discovery of other violations of the Alaska  
10 Securities Act, and that I will fully comply with the terms and conditions of this Order, the  
11 Alaska Securities Act and associated regulations.

12 I enter into this Order voluntarily and understand that this Order is a public document.

13 8/1/16

14 Date

/s/ Steve Potter

Steve Potter

15  
16 SUBSCRIBED AND SWORN TO before me this 1<sup>st</sup> day of August, 2016 at  
17 Ellensburg, WA.

18 /s/ Jennifer Blanken

Notary Public in and for Washington

19 Jennifer Blanken

20 Notary Printed Name

21 My commission expires: 3/25/18

22  
23 Contact Person:  
24 Leif Haugen  
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