

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. 17-103-S**
5 LAURENCE GARRITY; and) **TEMPORARY CEASE AND DESIST**
6 LILLIAN YOUNG) **ORDER EFFECTIVE IMMEDIATELY**
7) **WITH NOTICE OF HEARING RIGHTS**
8) **and**
9 Respondents.) **NOTICE OF FINAL CEASE AND DESIST**
10) **ORDER**

11 The Director of the Department of Commerce, Community, and Economic
12 Development, Division of Banking and Securities (“Administrator”), has conducted an
13 investigation into certain activities of Laurence Garrity and Lillian Young (collectively, the
14 “Respondents”), and has determined that Respondents violated certain provisions of the
15 Alaska Securities Act, Alaska Statute (AS) 45.55 *et seq.*

16 **I. FINDINGS OF FACT**

- 17 1. Respondents are shareholders of Shee Atiká Incorporated (SAI).
18 2. SAI is organized pursuant to the Alaska Native Claims Settlement Act
19 (ANCSA), 43 U.S.C. 1601 *et seq.*
20 3. SAI has certified to the Administrator that it has more than 500 shareholders
21 and total assets exceeding \$1,000,000.
22 4. On or about April 5, 2017, Respondent Garrity posted notice of his candidacy for
23 the SAI Board of Directors as well as a proxy solicitation on his Facebook page.
24 5. Respondent Garrity did not file a dated, written proxy statement containing
disclosures to shareholders or proxy materials with the Administrator when he posted them

1 on his Facebook page. Respondent did not distribute a dated, written proxy statement to
2 shareholders before soliciting proxies.

3 6. On or about April 15, 2017, Respondent Young posted notice of her candidacy for
4 the SAI Board of Directors as well as a proxy solicitation on her Facebook page.

5 7. Respondent Young did not file a dated, written proxy statement containing
6 disclosures to shareholders or proxy materials with the Administrator when she posted them
7 on her Facebook page. Respondent did not distribute a dated, written proxy statement to
8 shareholders before soliciting proxies.

9 8. Between April 5, 2017 and the date of this Order, Respondent Garrity has posted
10 about his candidacy for the SAI board several times on his Facebook page, including one post
11 urging shareholders to “vote the Garrity and Young proxy.”

12 9. Respondent Garrity filed a proxy statement for both himself and Respondent
13 Young containing the disclosures in 3 AAC 08.355 with the Administrator on April 26, 2017.

14 10. As of the date of this Order, neither Respondent has filed any proxy solicitations
15 with the Administrator.

16 II. CONCLUSIONS OF LAW

17 1. Respondents are subject to the filing requirements of AS 45.55.139 because they
18 are shareholders of SAI and SAI is subject to the filing requirements.

19 2. Respondents’ Facebook posts are “proxy solicitations” as defined in 3 AAC
20 08.365(16) because they are communications to shareholders under circumstances reasonably
21 calculated to result in the procurement, withholding, or revocation of a proxy.

22 3. Respondents violated AS 45.55.139 and 3 AAC 08.312 by posting material relating
23 to proxy solicitation on their respective Facebook pages without also filing those materials with
24 the Administrator concurrently with their distribution to shareholders.

1 4. Respondents violated 3 AAC 08.355 by soliciting proxies without first filing with
2 the Administrator or distributing to shareholders a dated, written proxy statement including the
3 required disclosures to shareholders.

4 **III. ORDER**

5 Pursuant to AS 45.55.920, and on the basis of the Findings of Fact and Conclusions of
6 Law, the Administrator ORDERS Respondents to CEASE AND DESIST from continuing to
7 solicit proxies for the SAI annual meeting scheduled for May 20, 2017 until they comply with
8 AS 45.55.139 and 3 AAC 08.305 – 3 AAC 08.365.

9 Pursuant to AS 45.55.920(d), either Respondent desiring a hearing must file a separate
10 request for a hearing within 15 days after receipt of this Order. The request for a hearing must
11 be in writing, must be directed to the Administrator, and must state the grounds for the request
12 to set aside or modify the Order. This Order takes effect immediately, remains in effect until 10
13 days after the hearing is held, and becomes final if a hearing is not requested within 15 days
14 after the receipt of this notice.

15 This Order is a publicly disclosable document.

16 **IT IS SO ORDERED.**

17 Chris Hladick, Commissioner
18 Department of Commerce, Community and
19 Economic Development

20 DATED: April 26, 2017

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