

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

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

IN THE MATTER OF: ) ORDER NO. 17-154-S  
CHARLES E. FAGERSTROM ) ORDER TO CEASE AND DESIST,  
 ) IMPOSING CIVIL PENALTIES AND  
 ) CONSENT TO ORDER  
Respondent. )  
\_\_\_\_\_ )

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

Respondent agrees that the Administrator has jurisdiction over Respondent and these matters pursuant to the Alaska Securities Act.

Respondent wishes to resolve and settle this matter with the Administrator. As evidenced by the authorized signature on this Order, Respondent consents to the entry of this Order based on the Conclusions of Law and Order. Respondent waives his right to appeal under AS 45.55.920(d).

**I. FINDINGS OF FACT**

1. Respondent is a shareholder of Sitnasuak Native Corporation (SNC).
2. SNC is organized pursuant to the Alaska Native Claims Settlement Act (ANCSA), 43 U.S.C. 1601 *et seq.*



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).<sup>1</sup>
- 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  
18 Department of Commerce, Community and  
19 Economic Development

20 DATED: 3-29-2019

/s/ Patrice Walsh

21 BY: Patrice Walsh, Director  
22 Division of Banking and Securities  
23  
24

<sup>1</sup> The Administrator received a check for \$1,500 from Respondent on March 15, 2019, constituting payment in full and satisfaction of the civil penalty.

1 **Consent to Entry of Order**

2 I, Charles E. Fagerstrom, state that I have read the foregoing Order, that I am aware of  
3 the right 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 3/15/19

/s/ Charles E. Fagerstrom

14 Date

Charles E. Fagerstrom

15  
16 SUBSCRIBED AND SWORN TO before me this 15th day of March, 2019 at  
17 Anchorage, Alaska.

18 /s/ Thomas V. Wang

Notary Public in and for Alaska

19 Thomas V. Wang

20 Notary Printed Name

21 My commission expires: 12-13-2022

22  
23 Contact Person:  
Adam Marks  
24 Financial Examiner  
(907) 269-7499