

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

4) **ORDER NO. 15-1531-S**
5)
6 IN THE MATTER OF:) **TEMPORARY CEASE AND DESIST**
7) **ORDER EFFECTIVE IMMEDIATELY,**
8 SITNASUAK NATIVE CORPORATION) **ASSESSING CIVIL PENALTIES,**
9) **IMPOSING A PRE-FILING**
10) **REQUIREMENT,**
11) **WITH NOTICE OF HEARING RIGHTS**
12 Respondent.) **and**
13) **NOTICE OF FINAL CEASE AND DESIST**
14) **ORDER**

15 The Director of the Department of Commerce, Community, and Economic
16 Development, Division of Banking and Securities (“Administrator”), has conducted an
17 investigation into certain activities of Sitnasuak Native Corporation (“Respondent”), and has
18 determined that Respondent violated certain provisions of the Alaska Securities Act, Alaska
19 Statute (AS) 45.55.

20 **I. FINDINGS OF FACT**

21 1. Respondent is a corporation organized pursuant to the Alaska Native Claims
22 Settlement Act (“ANCSA”), 43 U.S.C. 1601 et seq., and maintains an address at 400 Bering
23 St., Nome, Alaska, 99762.

24 2. Pursuant to AS 45.55.139, ANCSA corporations with 500 or more shareholders
and total assets exceeding \$1,000,000 must file with the Administrator all annual reports,
proxies, consents or authorizations, proxy statements, or other proxy solicitations distributed
and made available by any person to 30 or more Alaska resident shareholders concurrently
with distribution of those materials to shareholders.

3. Respondent has certified to the Administrator that it has more than 500

1 shareholders and total assets exceeding \$1,000,000.

2 4. Pursuant to 3 AAC 08.345(b)(1)(F), Respondent's board of director proxy
3 solicitations must be preceded or accompanied by a dated, written proxy statement that
4 includes, if action is to be taken on the election of directors, a description of each nominee of
5 the board who has consented to act if elected and of each director whose term of office will
6 continue after the shareholders' meeting, including a description of the nominee and/or
7 director's business experience during the last five years, including principal employment or
8 occupation and employer.

9 5. On February 28, 2014, Trudy Sobocienski submitted a candidate questionnaire for
10 Respondent's 2014 board of directors election. In her questionnaire, Ms. Sobocienski disclosed
11 that she had been the Chief Executive Officer of Deloycheet, Inc. from 2010-2012. However,
12 Respondent did not disclose Ms. Sobocienski's employment with Deloycheet in its 2014 Notice
13 of Annual Meeting & Proxy Statement. Ms. Sobocienski was subsequently elected to the board
14 of directors.

15 6. On February 17, 2015, Ms. Sobocienski submitted a current board member
16 questionnaire for Respondent's 2015 board of directors election. In her questionnaire,
17 Ms. Sobocienski again disclosed that she had been the Chief Executive Officer of Deloycheet,
18 Inc. from 2010-2012. However, Respondent again did not disclose Ms. Sobocienski's
19 employment with Deloycheet in its 2015 Notice of Annual Meeting & Statement.

20 II. CONCLUSIONS OF LAW

- 21 1. Respondent is subject to the filing requirements of AS 45.55.139.
- 22 2. Respondent must make certain mandatory disclosures in its proxy solicitations
23 including those described in 3 AAC 08.345(b).
- 24 3. Respondent violated 3 AAC 08.345(b)(1)(F) by failing to disclose

1 Ms. Sobocienski's employment as Chief Executive Officer of Deloycheet, Inc. from 2010-2012
2 in its 2014 and 2015 Notice of Annual Meeting & Proxy Statements.

3 4. Respondent is subject to a civil penalty pursuant to AS 45.55.920(c) because it
4 violated 3 AAC 08.345(b)(1)(F).

5 5. Respondent is subject to a pre-filing requirement pursuant to AS 45.55.920(a)(1)(B)
6 because it violated 3 AAC 08.345(b)(1)(F).

7 **III. ORDER and NOTICE**

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

10 1. CEASE AND DESIST from omitting mandatory disclosures in its proxy
11 solicitations.

12 2. Comply with all provisions of the Alaska Securities Act, including associated
13 regulations.

14 3. Pay a civil penalty in the amount of one thousand dollars (\$1,000)¹.

15 4. File, for a period of three years, its annual reports, proxies, consent or
16 authorizations, proxy statements, or other materials relating to proxy solicitations required
17 under AS 45.55.139 with the Administrator for examination and review 10 working days
18 before a distribution to shareholders.

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¹ \$500 each for failure to disclose in 2014 and 2015.

1 Pursuant to AS 45.55.920(d), Respondent may request a hearing within 15 days after
2 receipt of this Order. The request for a hearing must be in writing, directed to the
3 Administrator, and state the grounds for the request to set aside or modify the Order. This
4 Order takes effect immediately and remains in effect until 10 days after the hearing is held and
5 which becomes final if a hearing is not requested within 15 days after the receipt of this notice.

6 This Order is a publicly disclosable document.

7 **IT IS SO ORDERED.**

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

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11 DATED: December 4, 2015

/s/ Kevin Anselm

BY: Kevin Anselm, Director
Division of Banking and Securities

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