

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

4 IN THE MATTER OF:)
5 ANITA ANDREWS; and) **ORDER NO. 19-18-S**
6 PETER ANDREWS) **NOTICE OF FINAL CEASE AND DESIST**
7) **ORDER ASSESSING CIVIL PENALTIES**
8 Respondents.)
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 Anita Andrews and Peter Andrews (“Respondents”),
13 and has determined that Respondents violated certain provisions of the Alaska Native Claims
14 Settlement Act Corporations Proxy Solicitation and Stock Act, Alaska Statute (AS) 45.55 *et*
15 *seq.* (“ANCSA Corporations Proxy Solicitations Act”).

16 **I. BACKGROUND**

17 On December 20, 2019, the Administrator mailed a Temporary Cease and Desist
18 Order Effective Immediately, Assessing Civil Penalties, with Notice of Hearing Rights and
19 Notice of Final Cease and Desist Order (“Order”) to Respondents by certified mail, restricted
20 delivery (tracking numbers 7017 0190 0000 1100 6894 and 7017 0190 0000 1100 6917). On
21 January 7, 2020, the Administrator received the return receipt for tracking number 7017 0190
22 0000 1100 6894, signed by Respondent Peter Andrews. On January 9, 2020, the
23 Administrator received the return receipt for tracking number 7017 0190 0000 1100 6917,
24 signed by Respondent Anita Andrews. To date, neither Respondent has requested a hearing.

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II. FINDINGS OF FACT

1. Respondents are shareholders of Azachorok, Incorporated (“Azachorok”).

2. Azachorok is organized under the Alaska Native Claims Settlement Act (“ANCSA”), 43 U.S.C. 1601 *et seq.*

3. Azachorok has certified to the Administrator that it has more than 500 shareholders and total assets exceeding \$1,000,000.

4. On or about January 16, 2019, Respondents distributed a letter to over 200 Azachorok shareholders by mail.

5. On January 16, 2019, the former CEO of Azachorok electronically filed the letter with the Administrator on behalf of Respondents.

6. The letter stated: “[J L., H. P., and F. H.] distributed the [Azachorok] Annual Shareholder Meeting Packet without full board approval” The letter also stated: “[J.L., H.P., and F.H.] have spent approximately \$1 million on legal fees to remove [the Former CEO of Azachorok].”

7. Respondents did not file with the Administrator a dated, written proxy statement containing the disclosures required under 3 AAC 08.355.

8. Respondents stated to the Administrator that, as of March 7, 2019, Azachorok had not distributed its annual meeting packet or its proxy to shareholders.

9. As of February 25, 2019, Azachorok had spent less than \$150,000.00 on legal fees to investigate and remove the Former CEO of Azachorok.

III. CONCLUSIONS OF LAW

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

2. The letter distributed by Respondents is a “proxy statement” as defined in 3 AAC

1 08.365(14) because it is a communication that was made available to shareholders under
2 circumstances reasonably calculated to result in the procurement, withholding, or revocation of
3 a proxy.

4 3. Respondents violated 3 AAC 08.315(a) by materially misrepresenting that the
5 Azachorok Annual Meeting Packet and Proxy were distributed to shareholders, and that
6 Azachorok had spent \$1,000,000.00 on legal fees to remove the Former CEO of Azachorok.

7 4. Respondents violated 3 AAC 08.355 by failing to file with the Administrator
8 required disclosures relating to proxy solicitation.

9 5. Respondents are subject to a civil penalty pursuant to AS 45.55.920(c) because they
10 violated 3 AAC 08.315(a), and 3 AAC 08.355.

11 **IV. ORDER and NOTICE**

12 Pursuant to AS 45.55.920, and on the basis of the Findings of Fact and Conclusions of
13 Law, the Administrator ORDERS Respondents to:

14 1. Pay a civil penalty in the amount of one thousand dollars (\$1,000) each. This
15 amount is immediately due to the Administrator.

16 2. Comply with all provisions of the ANCSA Corporations Proxy Solicitations Act and
17 associated regulations.

18 Pursuant to AS 45.55.920(d), Respondents may obtain review of this Final Order in the
19 Superior Court by filing a notice of appeal pursuant to the Alaska Rules of Appellate
20 Procedure. Pursuant to Appellate Rule 602(a)(2), the notice of appeal must be filed within 30
21 days from the date this Final Order is mailed or otherwise distributed to Respondents.

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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

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This Order is a publicly disclosable document.

IT IS SO ORDERED.

Julie Anderson, Commissioner
Department of Commerce, Community and
Economic Development

DATED: February 3, 2020

/s/ Patrice Walsh
BY: Patrice Walsh, Director
Division of Banking and Securities