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

ORDER NO. 19-123-S
IN THE MATTER OF:
William Andrews
Respondent.

ORDER TO CEASE AND DESIST,
IMPOSING CIVIL PENALTIES
AND
CONSENT TO ORDER

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 William Andrews ("Respondent"), and has determined that Respondent violated certain provisions of the Alaska Native Claims Settlement Act Corporations Proxy Solicitation and Stock Act, Alaska Statute (AS) 45.55 et seq. ("ANCSA Corporations Proxy Solicitations Act").

Respondent agrees that the Administrator has jurisdiction over Respondent and these matters pursuant to the ANCSA Corporations Proxy Solicitations Act.

Respondent wishes to resolve and settle this matter with the Administrator. As evidenced by the authorized signatures 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 Goldbelt, Incorporated ("Goldbelt").

2. Goldbelt is organized under the Alaska Native Claims Settlement Act
3. Goldbelt has certified to the Administrator that it has more than 500 shareholders and total assets exceeding $1,000,000.

4. “G.D.” is a former employee of Goldbelt.

5. On or about June 2019, Respondent published a series of Facebook posts to the “Goldbelt Shareholders” Facebook page. One of Respondent’s Facebook posts stated: “We can’t be profitable with $220+ [sic] million so now we’ll be profitable with another x amount [sic] of millions?” A second Facebook post stated: “Again tho- [sic] the $220+ [sic] million haven’t made us any money.” A third Facebook post stated: “[G.D.] has been recycled into the 8(a) pool. As I understand it he’s a silent partner in a government subsidiary.” A fourth Facebook post stated: “[G.D.] is still collecting paychecks from Goldbelt at our expense.” A fifth Facebook post stated: “[S]omething doesn’t smell right – decades of underperformance marketed as triumphs measuring gross revenues as profits.”

6. Respondent did not file the Facebook posts with the Administrator concurrently with their distribution to shareholders.

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

8. Respondent stated to the Administrator that the “$220+ million” he referred to in his Facebook posts was Goldbelt’s gross revenue.

9. G.D. is not a partner in a Goldbelt subsidiary and does not receive paychecks from Goldbelt.

10. Goldbelt earned a profit in all fiscal years from 2013 through 2018.

11. Respondent stated to the Administrator that Goldbelt did not represent its gross revenue as profit.
II. CONCLUSIONS OF LAW

1. Respondent is subject to the filing requirements of AS 45.55.139 because he is a shareholder of Goldbelt, and Goldbelt is subject to the filing requirements.

2. The Facebook posts are “proxy statements” as defined in 3 AAC 08.365(14) because they are communications that were made available to shareholders under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy.

3. Respondent violated 3 AAC 08.307 by failing to file his proxy solicitations concurrently with the Administrator when he distributed them to shareholders.

4. Respondent violated 3 AAC 08.315(a) by materially misrepresenting that Goldbelt was not profitable, that G.D. is a partner in a Goldbelt subsidiary and receives paychecks from Goldbelt, and that Goldbelt represented its gross revenue as profit.

5. Respondent violated 3 AAC 08.355 by failing to file with the Administrator required disclosures relating to proxy solicitation.

6. Respondent is subject to a civil penalty pursuant to AS 45.55.920(c) because he violated 3 AAC 08.307, 3 AAC 08.315(a), and 3 AAC 08.355.

III. ORDER

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

1. CEASE AND DESIST from violating the ANCSA Corporations Proxy Solicitations Act.

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

3. Pay a civil penalty in the amount one thousand five hundred dollars ($1,500), with
one thousand five hundred dollars ($1,500) suspended for a period of five years from the date of this Order. If Respondent commits any violation of the ANCSA Corporations Proxy Solicitations Act during this period, the suspended portion of the civil penalty will be immediately due.

This Order is a publicly disclosable document.

IT IS SO ORDERED.

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

DATED: 10/22/2020

/s/ Patrice Walsh
BY: Patrice Walsh, Director
Division of Banking and Securities
Consent to Entry of Order

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

I admit to the jurisdiction of the Department of Commerce, Community and Economic Development, Division of Banking and Securities (“Department”) and further consent to entry of this Order by the Department as settlement of the issues contained in this Order. I admit to violation of the ANCSA Corporations Proxy Solicitations Act.

I understand that the Department reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the ANCSA Corporations Proxy Solicitations Act, and that I will fully comply with the terms and conditions of this Order, the ANCSA Corporations Proxy Solicitations Act and associated regulations.

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

8/21/2020 /s/ William Andrews
Date William Andrews

SUBSCRIBED AND SWORN TO before me this 21st day of August, 2020 at Juneau, AK.

/s/ Richard Koehrsen
Notary Public in and for Alaska

Richard Koehrsen
Notary Printed Name
My commission expires: 1/29/2024

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