

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. 16-128-S  
5 DARREN CLEVELAND ) ORDER VOIDING PROXIES  
6 ) AND  
7 ) CONSENT TO ORDER  
8 Respondent. )  
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 Darren Cleveland (“Respondent”), and has determined  
13 that Respondent violated certain provisions of the Alaska Securities Act, Alaska Statute (AS)  
14 45.55 *et seq.*

15 **I. FINDINGS OF FACT**

- 16 1. Respondent is a shareholder of Qanirtuuq, Inc. (“QI”).  
17 2. QI is organized pursuant to the Alaska Native Claims Settlement Act  
18 (“ANCSA”), 43 U.S.C. 1601 *et seq.*  
19 3. QI has certified to the Administrator that it has more than 500 shareholders  
20 and total assets exceeding \$1,000,000.  
21 4. On or about May 16, 2016, Respondent posted notice of his candidacy for the QI  
22 Board of Directors as well as a proxy solicitation on his Facebook page.  
23 5. Respondent did not file his disclosures or proxy materials with the Administrator  
24 when he posted them on his Facebook page.

1 6. On May 26, 2016, Respondent filed disclosures and proxy solicitations with the  
2 Administrator for the first time. Respondent was initially unfamiliar with the regulations  
3 governing proxy solicitations, but is now cooperating with the Administrator in complying  
4 with them.

5 **II. CONCLUSIONS OF LAW**

6 1. Respondent is subject to the filing requirements of AS 45.55.139 because he is a  
7 shareholder of QI and QI is subject to the filing requirements.

8 2. Respondent violated AS 45.55.139 and 3 AAC 08.312 by posting material relating  
9 to proxy solicitation on his Facebook page without also filing those materials with the  
10 Administrator.

11 3. Respondent violated 3 AAC 08.355 by failing to file disclosures with the  
12 Administrator.

13 **III. ORDER**

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

16 1. Respondent to comply with all provisions of the Alaska Securities Act, including  
17 associated regulations.

18 2. The proxies solicited by Respondent before May 26, 2016 for QI's June 4, 2016  
19 meeting are void, but may be counted for quorum purposes.

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1 This Order is a publicly disclosable document.

2 **IT IS SO ORDERED.**

3 Chris Hladick, Commissioner  
4 Department of Commerce, Community and  
5 Economic Development

6 DATED: June 2, 2016

/s/ Kevin Anselm

7 BY: Kevin Anselm, Director  
8 Division of Banking and Securities

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13 **Consent to Entry of Order**

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

16 I admit to the jurisdiction of the Department of Commerce, Community and  
17 Economic Development, Division of Banking and Securities (“Department”) and further  
18 consent to entry of this Order by the Department as settlement of the issues contained in this  
19 Order. I admit to violation of the Alaska Securities Act.

20 I understand that the Department reserves the right to take further actions to enforce  
21 this Order or to take appropriate action upon discovery of other violations of the Alaska  
22 Securities Act, and that I will fully comply with the terms and conditions of this Order, the  
23 Alaska Securities Act and associated regulations.  
24

STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING AND SECURITIES  
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I enter into this Order voluntarily and understand that this Order is a public document.

June 1, 2016

/s/ Darren Cleveland

Date

Darren Cleveland

SUBSCRIBED AND SWORN TO before me this 1st day of June, 2016 at Anchorage, Alaska.

/s/ Karen Oberman

Notary Public in and for Alaska

Karen Oberman

Notary Printed Name

My commission expires: 1-17-17

Contact Person:  
Leif Haugen  
Securities Examiner  
(907) 269-8144