

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

4 IN THE MATTER OF:)

5 LAURENCE GARRITY and)
6 LILLIAN J. YOUNG)

ORDER NO. 17-103-2-S

CONSENT ORDER

7 Respondents.)
8)
9)
10)

11 The Director of the Department of Commerce, Community, and Economic
12 Development, Division of Banking and Securities (“Administrator”), has conducted an
13 investigation into certain activities of Laurence Garrity and Lillian J. Young (collectively, the
14 “Respondents”), and has determined that Respondents violated certain provisions of the
15 Alaska Securities Act, Alaska Statute (AS) 45.55 *et seq.*

16 Respondents agree that the Administrator has jurisdiction over Respondents and these
17 matters pursuant to the Alaska Securities Act.

18 Respondents wish to resolve and settle this matter with the Administrator. As
19 evidenced by the authorized signatures on this Order, Respondents consent to the entry of this
20 Order based on the Conclusions of Law and Order. Respondents waive their right to appeal
21 under AS 45.55.920(d).

22 **I. BACKGROUND**

23 On April 25, 2017, the Administrator issued a Temporary Cease and Desist Order
24 Effective Immediately with Notice of Hearing Rights and Notice of Final Cease and Desist
Order (Order No. 17-103-S) (the “Order”) against Respondents. The Order stated that “the

1 Administrator ORDERS Respondents to CEASE AND DESIST from continuing to solicit
2 proxies for the [Shee Atika, Inc.] annual meeting scheduled for May 20, 2017 until they
3 comply with AS 45.55.139 and 3 AAC 08.305 – 3 AAC 08.365.”

4 As of the date of this Consent Order, Respondents have complied with all of the
5 requirements set forth in Order No. 17-103-S. Therefore, Order No. 17-103-S is hereby
6 VACATED.

7 II. FINDINGS OF FACT

8 1. Respondents are shareholders of Shee Atiká, Inc. (SAI).

9 2. SAI is organized pursuant to the Alaska Native Claims Settlement Act
10 (ANCSA), 43 U.S.C. 1601 *et seq.*

11 3. Pursuant to AS 45.55.139, a copy of all annual reports proxies, consents or
12 authorizations, proxy statements, or other proxy solicitations distributed, published, or made
13 available by any person to at least 30 or more Alaska resident shareholders of a corporation
14 that has total assets exceeding \$1,000,000 and a class of equity security held of record by 500
15 or more persons and which is exempted from the registration requirements of AS 45.55.070
16 by AS 45.55.138, shall be filed with the Administrator concurrently with its distribution to
17 shareholders.

18 4. Pursuant to AS 45.55.138, ANCSA corporations are exempted from the
19 registration requirements of AS 45.55.070.

20 5. SAI has certified to the Administrator that it has more than 500 shareholders and
21 total assets exceeding \$1,000,000.

22 6. Pursuant to AS 45.55.160, a person may not, in a document filed with the
23 Administrator, make or cause to be made an untrue statement of a material fact.

24 7. Pursuant to 3 AAC 08.315(a), a solicitation may not be made by means of a proxy

1 statement, proxy, notice of meeting, or other communication that contains a material
2 misrepresentation.

3 8. Pursuant to 3 AAC 08.335(c), the proxy must (1) indicate that the proxy is solicited
4 on behalf of the board, or if solicited other than by the board, indicate the identity of the
5 persons on whose behalf the solicitation is made; (2) provide a specifically designated blank
6 space for dating the proxy; and (3) provide a means for the shareholder to specify by boxes a
7 choice between approval or disapproval of each matter or group of related matters identified in
8 the proxy as intended to be acted upon, other than the election of directors.

9 9. On April 30, 2017, Respondents filed two proxies on the front and back of one piece
10 of paper with the Administrator for the SAI annual meeting scheduled for May 20, 2017. One
11 of the proxies, marked with “Rev. Dated 03/30/17,” is titled: “Removal of Director Kenneth
12 Cameron Resolution.” The other proxy, marked with “Rev. Date 04/25/17” is titled:
13 “Independent Proxy for Election of Directors and Other Matters.” Both of the proxies provide
14 a means for the shareholder to vote on the resolution of the removal of Director Kenneth
15 Cameron.

16 10. Respondents’ “Independent Proxy for Election of Directors and Other Matters”
17 proxy provides a single designated box to “approve or disapprove to vote as follows on the
18 following matters.” It then lists three unrelated items in a group below.

19 11. Respondents’ “Independent Proxy for Election of Directors and Other Matters”
20 proxy states: “Candidate for Election of Director to Fill Potential Vacancy Created by Removal
21 of Director Kenneth Cameron” with the name of another shareholder, Pamela Craig, opposite.

22 III. CONCLUSIONS OF LAW

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

STATE OF ALASKA
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Consent to Entry of Order

I, Laurence Garrity, state that I have read the foregoing Consent Order and that I know and fully understand the Consent Order contents; that I have been advised of the right to a hearing and expressly waive any right to a hearing in this matter; that I voluntarily and without any force or duress, consent to the entry of this Consent Order; that I understand that the Administrator reserves the right to take further actions to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Alaska Securities Act; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a publicly disclosable document.

DATED: 5-8-17 /s/ L. Garrity
Laurence Garrity

SUBSCRIBED AND SWORN TO before me this ____ day of _____, _____ at _____, _____.

Notary Public in and for _____

Notary Printed Name
My commission expires: _____

1 Consent to Entry of Order

2 I, Lillian J. Young, state that I have read the foregoing Consent Order and that I know
3 and fully understand the Consent Order contents; that I have been advised of the right to a
4 hearing and expressly waive any right to a hearing in this matter; that I voluntarily and without
5 any force or duress, consent to the entry of this Consent Order; that I understand that the
6 Administrator reserves the right to take further actions to enforce this Consent Order or to take
7 appropriate action upon discovery of other violations of the Alaska Securities Act; and that I
8 will fully comply with the terms and conditions stated herein.

9 I understand that this Consent Order is a publicly disclosable document.

10 DATED: 5/9/17 /s/ Lillian J. Young
Lillian J. Young

12 SUBSCRIBED AND SWORN TO before me this 9 day of May, 2017 at
Sitka, Alaska.

14 /s/ Kay D. Simmons
Notary Public in and for Sitka, AK

16 Kay D. Simmons
Notary Printed Name
My commission expires: with office

STATE OF ALASKA
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