

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

4 IN THE MATTER OF:
5 SHEE ATIKÁ, INC.

6 Respondent.
7
8
9

ORDER NO. 17-126-S

CONSENT ORDER

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 Shee Atiká, Inc. (“Respondent”) and has determined
13 that Respondent violated certain provisions of the Alaska Securities Act, Alaska Statute (AS)
14 45.55 *et seq.*

15 Respondent agrees that the Administrator has jurisdiction over Respondent and these
16 matters pursuant to the Alaska Securities Act.

17 Respondent wishes to resolve and settle this matter with the Administrator. As
18 evidenced by the authorized signature on this Order, Respondent consents to the entry of this
19 Order based on the Conclusions of Law and Order. Respondent waives its right to appeal
20 under AS 45.55.920(d).

21 I. FINDINGS OF FACT

22 1. Respondent is organized pursuant to the Alaska Native Claims Settlement Act
23 (ANCSA), 43 U.S.C. 1601 *et seq.*

24 2. Pursuant to AS 45.55.139, a copy of all annual reports, proxies, consents or

1 authorizations, proxy statements, or other proxy solicitations distributed, published, or made
2 available by any person to at least 30 or more Alaska resident shareholders of a corporation
3 that has total assets exceeding \$1,000,000 and a class of equity security held of record by 500
4 or more persons and which is exempted from the registration requirements of AS 45.55.070
5 by AS 45.55.138, shall be filed with the Administrator concurrently with its distribution to
6 shareholders.

7 3. Pursuant to AS 45.55.138, ANCSA corporations are exempted from the
8 registration requirements of AS 45.55.070.

9 4. Respondent has certified to the Administrator that it has more than 500
10 shareholders and total assets exceeding \$1,000,000.

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

13 6. Pursuant to 3 AAC 08.315(a), a solicitation may not be made by means of a proxy
14 statement, proxy, notice of meeting, or other communication that contains a material
15 misrepresentation.

16 7. Article III, Section 16 of Respondent's bylaws states: "No person shall serve as a
17 director of the Corporation if such person is a council member, officer, or employee of Sitka
18 Tribe of Alaska."

19 8. Shee Atiká shareholder, Lillian Young, is running as an independent candidate for
20 the Board of Shee Atiká. Lillian Young is a current employee of the Sitka Tribe of Alaska,
21 which she disclosed in her proxy statement filed with the Administrator under 3 AAC 08.355.

22 9. On May 5, 2017, Respondent sent a mailing to all shareholders and posted a letter
23 on its website stating, in relevant part: "one of the qualifications to be a director is that a person
24 cannot be 'a council member, officer, or employee of Sitka Tribe of Alaska.' **Because Lillian**

1 **does not meet this qualification requirement, she cannot be a bona fide candidate and will**
2 **not be eligible to receive any votes at the 2017 Annual Meeting.”** (emphasis in original).

3 Respondent filed both of these solicitations with the Administrator.

4 10. On May 14, 2017, Respondent sent an email to all shareholders and posted another
5 letter on its website stating, in relevant part: “to the extent that a proxy lists Lillian Young as a
6 candidate, and whether or not she receives votes, the entire director election portion of that
7 proxy is invalid with regard to the election of directors (and will not be counted in the director
8 elections) because Lillian Young’s employment at Sitka Tribe of Alaska means she does not
9 satisfy one of the qualifications to be a director of Shee Atiká.” Respondent filed both of these
10 solicitations with the Administrator.

11 11. Respondent does not have any bylaw that prevents a candidate employed by the
12 Sitka Tribe of Alaska from running for the board.

13 12. Respondent’s 2017 Annual Meeting is to be held on May 20, 2017. The deadline for
14 the submission of proxies to Respondent is May 17, 2017.

15 **CONCLUSION OF LAW**

16 Respondent violated AS 45.55.160 and 3 AAC 08.315(a) by materially
17 misrepresenting that Lillian Young cannot run as an independent candidate for the Shee Atiká
18 board because she is currently employed by the Sitka Tribe of Alaska.

19 **III. ORDER**

20 Pursuant to AS 45.55.920, and on the basis of the Findings of Fact and Conclusions of
21 Law, Respondents are ordered:

22 1. To immediately cease telling shareholders that Lillian Young cannot run as a
23 candidate for the Shee Atiká Board of Directors.

24 Further, Respondent agrees:

1 understand the Consent Order contents; that I have been represented by an attorney; that I have
2 been advised of the right to a hearing and expressly waive any right to a hearing in this matter;
3 that I voluntarily and without any force or duress, consent to the entry of this Consent Order,
4 without admitting or denying the factual allegations stated herein; that I understand that the
5 Administrator reserves the right to take further actions to enforce this Consent Order or to take
6 appropriate action upon discovery of other violations of the Alaska Securities Act; and that I
7 will fully comply with the terms and conditions stated herein.

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

9
10 DATED: 05/17/17 /s/ Pamela Steffes
Pamela Steffes, Vice Chairman of the Board

11
12 SUBSCRIBED AND SWORN TO before me this 17 day of May, 2017 at
Sitka, Alaska.

13
14 /s/ Kori F. Lindstrom
Notary Public in and for Sitka, Alaska

15 Kori F. Lindstrom

16 Notary Printed Name
17 My commission expires: 5/1/2018