

**NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE DEPARTMENT OF COMMERCE,
COMMUNITY, AND ECONOMIC DEVELOPMENT**

The Department of Commerce, Community, and Economic Development proposes to adopt regulation changes in Chapter 8 of Title 3 of the Alaska Administrative Code, dealing with investigations by the department of possible violations of 3 AAC 08.305 – 3 AAC 08.365, the regulations that govern proxy solicitations for voting by the shareholders of certain corporations organized under 43 U.S.C. 1601 – 1629h (Alaska Native Claims Settlement Act). The proposed regulations address the procedure to be followed when a person submits a request for investigation to the department and when the department conducts an investigation of a possible violation of 3 AAC 08.305 – 3 AAC 08.365.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments by mail or fax to:

Kevin Anselm
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Division of Banking and Securities
Department of Commerce, Community, and Economic Development
550 West 7th Avenue, Suite 1940
Anchorage, Alaska 99501
Fax: (907) 269-8146

The written comments must be received no later than 4:30 p.m. on August 22, 2011.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Kevin Anselm at (907) 269-8140 no later than August 12, 2011, to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Kevin Anselm at the address or phone number above, or go to <http://commerce.alaska.gov/bsc/pub/ANCSAdraftREG201107.pdf>.

After the public comment period ends, the Department of Commerce, Community, and Economic Development will either adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written comments received are public records and are subject to public inspection.

Statutory Authority: AS 45.55.950

Statutes Being Implemented, Interpreted, or Made Specific: AS 45.55.139; AS 45.55.160; AS 45.55.905; AS 45.55.910

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

The Division of Banking and Securities keeps a list of individuals or organizations who are interested in regulations that affect proxy solicitations for voting by shareholders of certain corporations organized under the Alaska Native Claims Settlement Act. The division automatically sends a Notice of Proposed Regulations to the parties on the list each time there is a proposed change in the regulations in Article 3 of Chapter 8 of Title 3 of the Alaska Administrative Code. If you would like your email or mailing address added to or removed from that list, please send your request to the Division of Banking and Securities at the address above,

PROPOSED REGULATION dealing with investigations by the department of possible violations of 3 AAC 08.305 – 3 AAC 08.365, the regulations that govern proxy solicitations for voting by the shareholders of certain corporations organized under 43 U.S.C. 1601 – 1629h (Alaska Native Claims Settlement Act).

3 AAC 08 is amended by adding a new section to read:

3 AAC 08.360. Investigations. (a) A person may request that the administrator investigate an alleged violation of 3 AAC 08.305 - 3 AAC 08.365.

(b) Except as provided in this subsection, a request for investigation must be filed with the administrator not later than 180 days after the date of the shareholder vote for which the proxies in question were solicited. If the administrator finds the person making the request did not discover and reasonably could not have discovered the alleged violation within the time required by this subsection, the deadline for filing the request for investigation is 180 days after the time the requester discovered or reasonably should have discovered the alleged violation.

(c) A request for investigation must be filed with the administrator on a form provided by the administrator or in a separate writing; a request for investigation that is not filed on a form provided by the administrator must include

(1) the name, mailing address, phone number, and email address, if any, for the requester and, if the requester is not a corporation under 3 AAC 08.305, for both the requester and the corporation;

(2) the date of the shareholder meeting for which proxies are solicited, if known;

(3) the full name, mailing address, phone number, and email address, if known, of the alleged violator of 3 AAC 08.305 - 3 AAC 08.365;

(4) each regulation allegedly violated;

(5) a description of the solicitation involving an alleged violation and a copy of any materials relevant to an alleged violation;

(6) the full name, mailing address, phone number, and email address, if any, of other persons who may have information regarding the alleged violation;

(7) a written summary of any meetings, communications, or other contacts the requester has had with the alleged violator of 3 AAC 08.305 - 3 AAC 08.365 regarding the alleged violation;

(8) a description of any court action related to the alleged violation of 3 AAC 08.305 - 3 AAC 08.365 that is intended or has been filed; and

(9) the requester's signed acknowledgment that

(A) the information provided

(i) is true and complete to the best of the requester's knowledge;

(ii) may be disclosed as necessary or appropriate to investigate an allegation, in a public order of the administrator, or at an administrative hearing that could result from an investigation; and

(iii) constitutes a request for an investigation under this section;

and

(10) if the request is filed more than 180 days after the date of the shareholder vote for which the proxies in question were solicited, the reason the requestor did not discover and reasonably could not have discovered the alleged violation within the 180-day period required by subsection (b).

(d) The administrator

(1) shall return an incomplete request for investigation to the person making the request; and

(2) may consolidate multiple requests for investigation.

(e) Not later than 10 business days after the administrator's receipt of a complete request for investigation, the administrator shall notify the person making the request whether the administrator will open or decline to open an investigation. If, within the 10-business-day period referred to this subsection, the administrator is unable to obtain necessary information about the request, the administrator shall within the 10-business-day period notify in writing the person making the request of the additional time the administrator needs to decide whether to open or decline to open an investigation. If the administrator opens an investigation, the administrator may limit the scope of the investigation.

(f) If the administrator opens an investigation, the administrator may provide the alleged violator and the corporation written notice of the investigation. The administrator may disclose information, including the identity of the person filing the request for investigation, when necessary or appropriate to investigate an allegation.

(g) The administrator shall notify the person making the request, the corporation, and the alleged violator in writing of the administrator's decision to take no administrative action or to issue an order under AS 45.55.920.

(h) This section applies to a request for investigation filed with the administrator or an investigation initiated by the administrator on or after the effective date of this section.

(Eff. ____/____/____, Register ____)

Authority: AS 45.55.139 AS 45.55.905 AS 45.55.950 AS 45.55.160 AS 45.55.910