STATE OF ALASKA PARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION OF BANKING AND SECURITIES 550 WEST SEVENTH AVENUE, SUITE 1850 ANCHORAGE, ALASKA 99501 (907)269-8140

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

)	ORDER NO. 17-49-S
IN THE MATTER OF:)	
)	TEMPORARY CEASE AND DESIST
AUSTIN AHMASUK)	ORDER EFFECTIVE IMMEDIATELY,
)	ASSESSING CIVIL PENALTIES,
)	WITH NOTICE OF HEARING RIGHTS
)	and
	ý	NOTICE OF FINAL CEASE AND DESIST
	Respondent.	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 Austin Ahmasuk ("Respondent"), and has determined that Respondent violated certain provisions of the Alaska Securities Act, Alaska Statute (AS) 45.55 *et seq*.

I. FINDINGS OF FACT

- 1. Respondent is a shareholder of Sitnasuak Native Corporation ("SNC").
- 2. SNC is organized pursuant to the Alaska Native Claims Settlement Act ("ANCSA"), 43 U.S.C. 1601 *et seq*.
- 3. SNC has certified to the Administrator that it has more than 500 shareholders and total assets exceeding \$1,000,000.
- 4. On February 9, 2017, the Nome Nugget published a letter-to-the-editor (attached as Exhibit 1), written by Respondent, that stated: "Discretionary proxies have allowed single persons to use discretionary proxies [sic] to dramatically alter the outcome of an election for their singular goal. You know who they are [sic] they are members of SNC 6."

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- 5. Respondent did not file his letter-to-the-editor with the Administrator concurrently with its distribution to shareholders.
- 6. Respondent did not file with the Administrator a dated, written proxy statement containing the disclosures required in 3 AAC 08.355.
- 7. SNC allows shareholders to use discretionary proxies and to cumulate votes in the election of directors.
- 8. Current law allows a shareholder to delegate voting rights through a discretionary proxy to another shareholder, who may then cumulate votes in the election of directors. When shareholders vote via discretionary proxies, they consent to the cumulation of their votes and to the proxyholder's voting according to the proxyholder's discretion. No votes are counted until the proxyholder exercises discretion to vote the proxy how he or she chooses.

II. CONCLUSIONS OF LAW

- 1. Respondent is subject to the filing requirements of AS 45.55.139 because he is a shareholder of SNC and SNC is subject to the filing requirements.
- 2. Respondent's letter-to-the-editor is a "proxy solicitation" as defined in 3 AAC 08.365(16) because it is a communication 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 solicitation concurrently with the Administrator when he distributed it to shareholders.
- 4. Respondent violated 3 AAC 08.315(a) by materially misrepresenting that discretionary proxies have allowed single persons to alter the outcome of an election because the cumulation of votes, permitted by law and SNC rules, does not "alter the outcome of the election," as the outcome has not been determined until the votes are cumulated and cast.

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5.	Respondent violat	ed 3 AAC 08	3.355 by fa	iling to file	with the A	Administrator
required d	isclosures relating t	o proxy solic	itation.			

6. Respondent is subject to a civil penalty pursuant to AS 45.55.920(c) because he violated AS 45.55.139, 3 AAC 08.307, 3 AAC 08.315(a), and 3 AAC 08.355.

III. ORDER and NOTICE

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

- Pay a civil penalty in the amount of one thousand five hundred dollars (\$1,500).
 This amount is immediately due to the Administrator.
- 2. Comply with all provisions of the Alaska Securities Act, including associated regulations.

Pursuant to AS 45.55.920(d), if Respondent desires a hearing, he must file his request for a hearing within 15 days after receipt of this Order. The request for a hearing must be in writing, must be directed to the Administrator, and must state the grounds for the request to set aside or modify the Order. This Order takes effect immediately, remains in effect until 10 days after the hearing is held, and becomes final if a hearing is not requested within 15 days after the receipt of this notice.

This Order is a publicly disclosable document.

IT IS SO ORDERED.

Chris Hladick, Commissioner
Department of Commerce, Community and
Economic Development

DATED: March 13, 2017

/s/ Kevin Anselm

Director

BY: Kevin Anselm, Director Division of Banking and Securities

ur January 31 online poll.

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Trump's Executive Order g The Country?

51% (28 votos)

45% (25 votes)

4% (2-voies)

fferent directions as we get lations of work that consume come with keeping the famnd happy, and then, maybe, y place to go to in order to

sire to get educated on polederal elected officials? ake that time. A wise man deserves. This goes for all

of comments, phone calls b lobbied their Senators to -voucher proponent Betsy r credit, Republican Senhe used common sense he decision to break rank st DeVes. The other Sennore Alaskan voices, for ss release said he was " received a number of aska as well as her full coods Act."

LACLA BARRA cast the

Dear Editor,

The Village Corporation for Nome i.e. Situasuak Native Corporation (SNC) will soon be holding its armual election and shareholders will file for candidacy. SNG's share holders have voiced time and time again that they do NOT want disoretionary proxies used. Discretionary proxies are NOT required by any Allaskan law and there is NO law that prohibits an ANCSA corporation from prohibiting them for elec-tions. Hundreds of SNC sharehold ers have said through public letters, social media, or through mailings that they do NOT want discretionary proxies used for elections. I believe SNC shareholders are realizing that discretionary proxies are harmful to our election process and are realizing in greater numbers such practices are disrespectful to our traditions. In 2015 and 2016 I and others spent many hours collecting signatures for a request for a special meeting to do away with discretionary proxies. We collected hundreds of signatures and we met a 10% requirement as required by Alaskan law to petition the SNC Board of Directors to consider doing away with discretionary proxies and to request a special meeting. You might ask yourself why all this commotion about discretionary proxies? Because I and others have thoroughly researched the issue and recognized there is an dramatic ethical argument about what is right and what is wrong with SNC's elections. Discretionary proxies have alpersons to use lowed single discretionary proxies to dramatically alter the outcome of an election for their singular goal. You know who they are they are members of the SNC 6. Please do NOT vote a discretionary proxy in 2017. Thank you,

Austin Ahmasuk P.O. Box 693 Nome, AK 99762 oper, Tom Moran has been doing. I am fortunate to have been hvingshere in Nome for four years. It has always been a great place to live. I be lieve that Mr. Tom Moran is doing a great job to keep our city a great place to live. One of the reasons w are great is that we have such an ou standing leader as our city manage

Spruge Lynch Nome AK

Have you thanked a school box member lately?

School board members exemp local citizen control and decimaking in education. They volum hundreds of hours and an imme. able amount of energy to a that our schools are providing best education possible for the dren of our community. He some reasons we are taking th to show them our appreciation ing School Board Reco Month.

School board members zens whose decisions affect dren-what they learn, who them, and what kinds of house their classrooms.

These are men and elected to establish th that provide the framew public schools. They rep and they take this respo riously by attending sometimes turbulent m ferences, and institute broaden their knowled cation; during numer tions about the before the Alaska Le

Our school board of fifty-three such the state. These box have local contro schools, meaning school programm elected local. who understand unique problems and circumstance