

STATE OF ALASKA
DEPARTMENT 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. 22-15-S

IN THE MATTER OF:

Yak-Tat Kwaan

Respondent.

TEMPORARY ORDER EFFECTIVE
IMMEDIATELY, with NOTICE OF
HEARING RIGHTS AND NOTICE OF
FINAL CEASE AND DESIST 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 Yak-Tat Kwaan Inc. (“Respondent”), and has determined that Respondent violated certain provisions of the Alaska Native Claims Settlement Act Corporations Proxy Solicitation and Stock Act, Alaska Statute (AS) 45.55 et seq (“ANCSA Corporations Proxy Solicitations Act”).

I. FINDINGS OF FACT

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

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

3. On October 7, 2021, Respondent sent a one-page letter to shareholders announcing it set its 48th Annual Meeting date for November 20, 2021. On this date, the Respondent did not have over 500 shareholders and therefore did not meet the filing requirements for AS 45.55.139 and the requirements of the associated regulations (3 AAC 08.305-920).

1 4. On October 21, 2021, Respondent sent the 48th Annual Meeting packet to
2 shareholders which included the Proxy Statement, 2020 Audited Financial Report, Rules of
3 Annual Meeting, Proxy Card, and campaign letters from seven candidates to shareholders.

4 5. On November 12, 2021, Respondent sent a letter to shareholders postponing the
5 48th Annual Meeting to January 8, 2022.

6 6. On December 23, 2021, Respondent cancelled the 48th Annual Meeting and
7 scheduled it for January 8, 2022.

8 7. On December 31, 2021, Respondent verified it had over 500 shareholders and
9 met the filing requirements for AS 45.55.139.

10 8. On January 13, 2022, Respondent sent a letter to shareholders announcing it set
11 the new 48th Annual Meeting date for February 26, 2022.

12 9. On January 28, 2022, Respondent resent a 48th Annual Meeting Packet to
13 shareholders that included the Proxy Statement, Rules of Annual Meeting, Proxy Card, and
14 Candidate Bios ("Updated Annual Meeting Packet) to all shareholders including the
15 shareholders that that were not eligible to vote in the originally scheduled 48th Annual
16 Meeting that was to take place in 2021. The Respondent also filed concurrently with the
17 Administrator as required by AS 45.55.139.

18 10. The updated Annual Meeting Packet contained information from 2020 and did not
19 contain a proxy statement from the Respondent's last fiscal year (fiscal year 2021) as
20 required by 3 AAC 08.345 and did not contain an annual report for the corporation's last
21 fiscal year (fiscal year 2021) as required by 3 AAC 08.345(a).

22 11. On February 24, Respondent sent a letter to shareholders to postpone the 48th
23 Annual Meeting to April 9, 2022 due to only receiving 57% of total proxies needed.

24 12. On March 21, 2022, Respondent sent a letter to shareholders making corrections
and updates to its proxy statement that was mailed out on February 4, 2022. This update did

1 not include information from the corporation's last fiscal year.

2 13. On April 9, 2022, Respondent postponed the 48th Annual Meeting to a future
3 date set by the board of directors due to a lack of quorum being present.

4 14. On April 21, 2022, Respondent sent a letter to shareholders rescheduling the 48th
5 Annual Meeting to October 8, 2022.

6 15. As of the date of this order, Respondent has not provided an annual report and
7 proxy statement from the corporation's last fiscal year as required by 3 AAC 08.345.

8 16. Respondent has represented to the Division that it considers more than 500
9 shareholders eligible to vote at the Annual Meeting on October 8, 2022.

10 II. CONCLUSIONS OF LAW

11 1. Respondent is subject to the filing requirements of AS 45.55.139 by virtue of
12 having more than 500 shareholders eligible to vote at the October 8, 2022 annual meeting and
13 total assets exceeding \$1,000,000.

14 2. Respondent violated AS 45.55.139 and 3 AAC 08.345 by not updating its Proxy
15 Statement and Annual Report to contain information from the corporation's last fiscal year and
16 including the shareholders that were not eligible to vote in the originally scheduled 48th Annual
17 Meeting that was scheduled to take place in 2021.

18 3. Respondent is subject to a civil penalty pursuant to AS 45.55.920(c) because they
19 violated 3 AAC 08.345.

20 III. ORDER and NOTICE

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

23 1. Pursuant to AS 45.55.920(a)(1)(c) the Respondent's proxies for the meeting
24 scheduled on October 8, 2022 are VOID.

2. Respondent is to comply with all provisions of the ANCSA Corporations Proxy

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1 Solicitations and Stock Act and associated regulations, including having the most recent
2 fiscal year information in the filings required under AS 45.55.139.

3 3. Respondent is to pay a civil penalty in the amount of five hundred dollars (\$500).
4 This amount is immediately due to the Administrator.

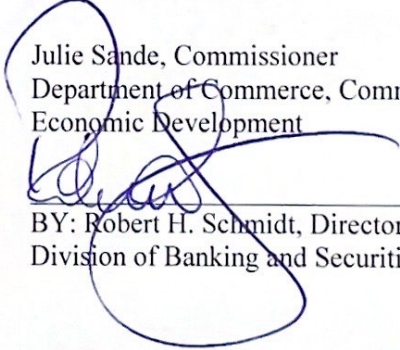
5 Pursuant to AS 45.55.920(d), if Respondent desires a hearing, it must file its request
6 for hearing within 15 days after receipt of this Order. The request for a hearing must be in
7 writing, must be directed to the Administrator, and must state the grounds for the request to
8 set aside or modify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

11 This Order is a publicly disclosable document.

12 **IT IS SO ORDERED.**

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DATED: 10-7-2022

Julie Sande, Commissioner
Department of Commerce, Community and
Economic Development

BY: Robert H. Schmidt, Director
Division of Banking and Securities