

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

4 IN THE MATTER OF: )  
5 Clarice Johnson ) **ORDER NO. 19-44-S**  
6 ) **ORDER TO CEASE AND DESIST,**  
7 ) **IMPOSING CIVIL PENALTIES**  
8 Respondent. ) **AND**  
9 ) **CONSENT TO 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 Clarice Johnson (“Respondent”), and has determined  
13 that Respondent violated certain provisions of the Alaska Native Claims Settlement Act  
14 Corporations Proxy Solicitation and Stock Act, Alaska Statute (AS) 45.55 *et seq.* (“ANCSA  
15 Corporations Proxy Solicitations Act”).

16 Respondent agrees that the Administrator has jurisdiction over Respondent and these  
17 matters pursuant to the ANCSA Corporations Proxy Solicitations Act.

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

22 **I. FINDINGS OF FACT**

- 23 1. Respondent is a shareholder of Shee Atika, Incorporated (SAI).  
24 2. SAI is organized pursuant to the Alaska Native Claims Settlement Act

1 (ANCSA), 43 U.S.C. 1601 *et seq.*

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

4 4. SAI’s annual meeting is currently scheduled for May 4, 2019.

5 5. On or about April 2019, Respondent published a series of Facebook posts (“the  
6 Posts”) to her personal Facebook page, as well as to the “Sitka Chatters” and “Shee Atika  
7 Owners” Facebook Pages.

8 6. The Posts stated: “Please spread the word that voting on an Ipad is a vote for the  
9 corporate proxy candidates.” The Posts also stated: “Remember [that] any votes online are  
10 only for the board endorsed candidates and the [two independent] candidates who chose to run  
11 with them.”

12 7. On April 10, 2019, the newspaper *The Sitka Sentinel* published a letter-to-the-editor  
13 authored by Respondent (“the Letter”).

14 8. The Letter stated: “[S]hareholders who use electronic voting can only vote for the  
15 corporation slate.”

16 9. Respondent did not file the Posts or the Letter with the Administrator concurrently  
17 with their distribution to shareholders.

18 10. Respondent did not file with the Administrator a dated, written proxy statement  
19 containing the disclosures required under 3 AAC 08.355.

20 11. The SAI electronic proxy permits shareholders to vote for the candidates named on  
21 the corporate proxy and/or a write-in candidate.

## 22 II. CONCLUSIONS OF LAW

23 1. Respondent is subject to the filing requirements of AS 45.55.139 because she is a  
24 shareholder of SAI and SAI is subject to the filing requirements.

1 2. The Letter and the Posts are “proxy statements” as defined in 3 AAC 08.365(14)  
2 because they are communications that were made available to shareholders under  
3 circumstances reasonably calculated to result in the procurement, withholding or revocation of  
4 a proxy.

5 3. Respondent violated 3 AAC 08.307 by failing to file her proxy solicitations  
6 concurrently with the Administrator when she distributed them to shareholders.

7 4. Respondent violated 3 AAC 08.315(a) by materially misrepresenting that  
8 shareholders are not permitted to vote electronically for a candidate not named on the corporate  
9 proxy.

10 5. Respondent violated 3 AAC 08.355 by failing to file with the Administrator  
11 required disclosures relating to proxy solicitation.

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

### 14 **III. ORDER**

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

17 1. CEASE AND DESIST from violating the ANCSA Corporations Proxy Solicitations  
18 Act.

19 2. Comply with all provisions of the ANCSA Corporations Proxy Solicitations Act and  
20 associated regulations.

21 3. Pay a civil penalty in the amount one thousand five hundred dollars (\$1,500), with  
22 one thousand five hundred dollars (\$1,500) suspended for a period of five years from the date  
23 of this Order. If Respondent commits any violation of the ANCSA Corporations Proxy  
24 Solicitations Act during this period, the suspended portion of the civil penalty will be

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

1 immediately due.

2 This Order is a publicly disclosable document.

3 **IT IS SO ORDERED.**

4 Julie Anderson, Commissioner  
5 Department of Commerce, Community and  
6 Economic Development

6 DATED: May 22, 2019

7 /s/ Patrice Walsh  
8 BY: Patrice Walsh, Director  
9 Division of Banking and Securities

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

1 **Consent to Entry of Order**

2 I, Clarice Johnson, state that I have read the foregoing Order, that I am aware of the  
3 right to a hearing and appeal in this matter and have waived the same.

4 I admit to the jurisdiction of the Department of Commerce, Community and  
5 Economic Development, Division of Banking and Securities (“Department”) and further  
6 consent to entry of this Order by the Department as settlement of the issues contained in this  
7 Order. I admit to violation of the ANCSA Corporations Proxy Solicitations Act.

8 I understand that the Department reserves the right to take further actions to enforce  
9 this Order or to take appropriate action upon discovery of other violations of the ANCSA  
10 Corporations Proxy Solicitations Act, and that I will fully comply with the terms and  
11 conditions of this Order, the ANCSA Corporations Proxy Solicitations Act and associated  
12 regulations.

13 I enter into this Order voluntarily and understand that this Order is a public document.

14 5-9-2019  
15 Date

/s/ Clarice Johnson  
Clarice Johnson

16  
17 SUBSCRIBED AND SWORN TO before me this 9<sup>th</sup> day of May, 2019 at  
18 Sitka, Alaska.

/s/ Bethanie K. Smith  
Notary Public in and for Alaska

Bethanie K. Smith  
Notary Printed Name  
My commission expires: 6/1/2022

19  
20  
21  
22  
23 Contact Person:  
24 Adam Marks  
Financial Examiner  
(907) 269-7499

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