

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

4 IN THE MATTER OF:) **ORDER NO. 19-92-S**
5 Raymond Austin) **TEMPORARY CEASE AND DESIST**
6) **ORDER EFFECTIVE IMMEDIATELY,**
7) **ASSESSING CIVIL PENALTIES, WITH**
8 Respondent.) **NOTICE OF HEARING RIGHTS**
9) **AND**
10) **NOTICE OF FINAL CEASE AND DESIST**
11) **ORDER**

12 The Director of the Department of Commerce, Community, and Economic
13 Development, Division of Banking and Securities (“Administrator”), has conducted an
14 investigation into certain activities of Raymond Austin (“Respondent”), and has determined
15 that Respondent violated certain provisions of the Alaska Native Claims Settlement Act
16 Corporations Proxy Solicitation and Stock Act, Alaska Statute (AS) 45.55 *et seq.* (“ANCSA
17 Corporations Proxy Solicitations Act”).

18 **I. FINDINGS OF FACT**

- 19 1. Respondent is a shareholder of Goldbelt, Incorporated (“Goldbelt”).
- 20 2. Goldbelt is organized under the Alaska Native Claims Settlement Act
21 (“ANCSA”), 43 U.S.C. 1601 *et seq.*
- 22 3. Goldbelt has certified to the Administrator that it has more than 500 shareholders
23 and total assets exceeding \$1,000,000.
- 24 4. R.B., K.E., and B.C. are Goldbelt directors.
5. On May 23, 2018, Goldbelt distributed its 2018 proxy statement to shareholders
by mail.

1 6. On June 2, 2018, the Goldbelt Board of Directors authorized R.B. to enter into
2 an agreement to provide services in his personal capacity to a Goldbelt subsidiary in return
3 for compensation (the “Contract”).

4 7. The Contract had an effective date of June 4, 2018, and was signed on August 15,
5 2018.

6 8. On or about May 29, 2019, Respondent published a series of Facebook posts to
7 the “Goldbelt Shareholders” Facebook page. Respondent’s Facebook posts stated: “I filed a
8 [Division of Banking and Securities] complaint about [R.B.] for false and misleading
9 information by omitting information about being a paid contractor for the Tram [*sic*] and
10 failed to disclose this on [R.B.’s] 2018 campaign proxy statement (intentionally omitting
11 information is considered to be false and misleading).” Respondent’s Facebook posts also
12 stated: “[R.B., K.E., and B.C.] ignored ethics and campaign agreements by campaigning for
13 one another on [Facebook] and even knocking on shareholder’s [*sic*] doors to solicit votes.
14 These violations should have been protected under Alaska State Law [*sic*], the complaints
15 were investigated and turned over to enforcement but they failed to enforce.”

16 9. Respondent did not file the Facebook posts with the Administrator concurrently
17 with their distribution to shareholders.

18 10. Alaska law allows board members to solicit proxies for other candidates.

19 II. CONCLUSIONS OF LAW

20 1. Respondent is subject to the filing requirements of AS 45.55.139 because he is a
21 shareholder of Goldbelt and Goldbelt is subject to the filing requirements.

22 2. Respondent’s Facebook posts are “proxy statements” as defined in 3 AAC
23 08.365(14) because they are communications that were made available to shareholders under
24 circumstances reasonably calculated to result in the procurement, withholding or revocation of

1 a proxy.

2 3. Respondent violated 3 AAC 08.307 by failing to file his proxy solicitations
3 concurrently with the Administrator when he distributed them to shareholders.

4 4. Respondent violated 3 AAC 08.315(a) by materially misrepresenting that R.B.
5 violated 3 AAC 08.315(a) by not disclosing the Contract in the 2018 Goldbelt Proxy Statement,
6 and that Alaska law does not allow board members to solicit proxies for other candidates.

7 5. Respondent is subject to a civil penalty pursuant to AS 45.55.920(c) because he
8 violated 3 AAC 08.307 and 3 AAC 08.315(a).

9 **III. ORDER and NOTICE**

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

12 1. Pay a civil penalty in the amount one thousand dollars (\$1,000). This amount is
13 immediately due to the Administrator.

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

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

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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
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This Order is a publicly disclosable document.

IT IS SO ORDERED.

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

DATED: June 16, 2020

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