



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

# ALASKA SECURITIES ACT PROPOSED UPDATE

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House Labor and Commerce

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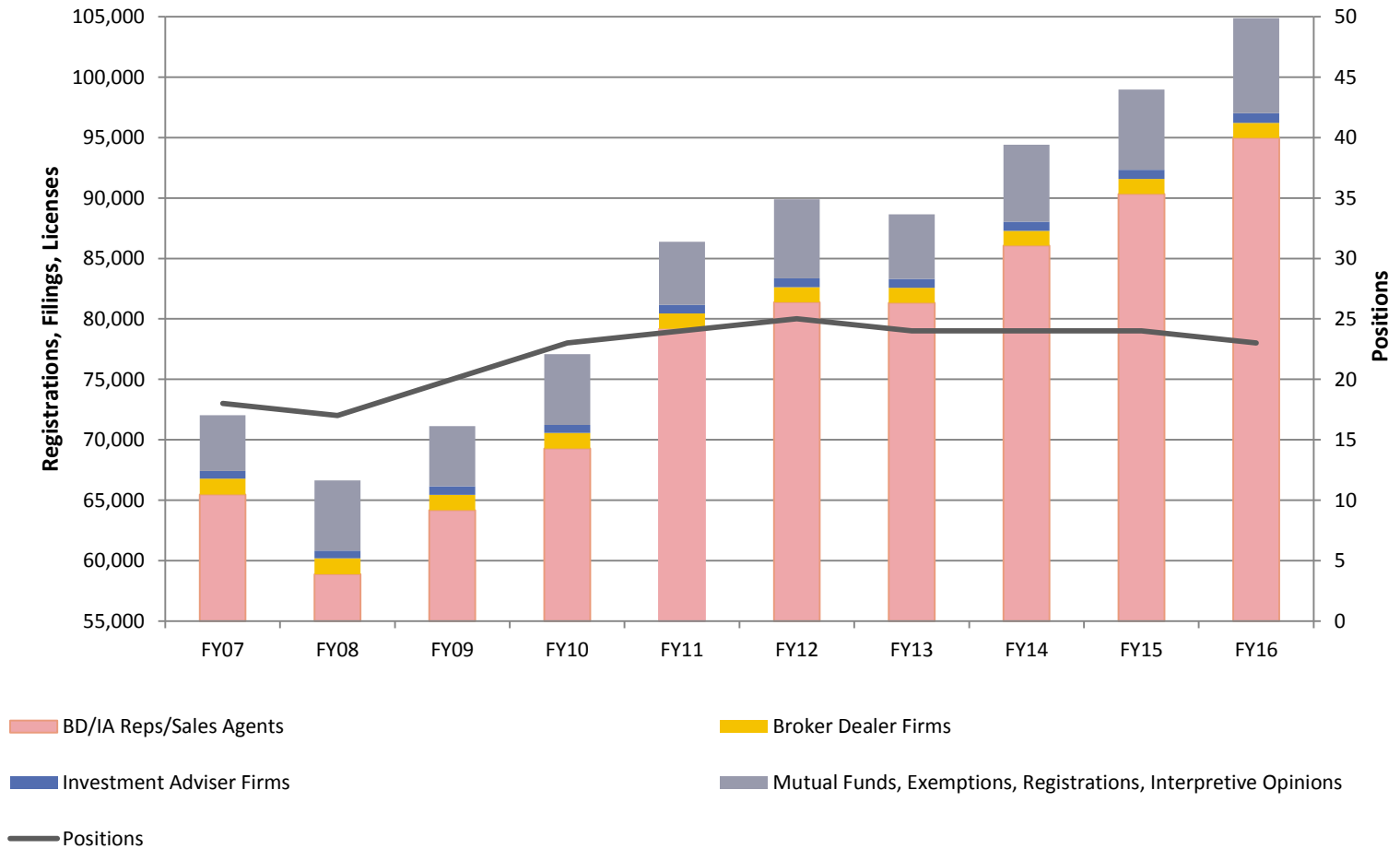
# What does the Alaska Securities Act include now?

- Securities broker-dealers, investment advisers, sales agents
- Securities issuers and agents
- Mutual funds, federal covered securities
- Alaska Native Claims Settlement Act (ANCSA) Corporation and shareholder proxy filings



# Securities Registrations, Filings and Licenses

### Registrations, Filings, Licenses, and Positions (Securities)





# What would the proposed legislation do?

- Simplify and bring Alaska's securities laws current with similar provisions as other states' laws to encourage companies, entrepreneurs and investors to do business in Alaska.
- Separate the Securities Act from the Alaska Native Claims Settlement Act.
- Enhance enforcement provisions, allowing for restitution and increased civil penalties to protect Alaskans, including additional penalties for victimizing vulnerable and older Alaskans.
- Create an Investor Education Fund that allows the Legislature to direct a portion of the civil penalties collected for consumer, investor and marketplace education.
- Allow the Division to require continuing education for investment professionals.



## What if the Securities Law is not updated?

- Legitimate businesses face more hurdles in raising funds and operating in Alaska than in some other states.
- ANCSA corporations/shareholders and the securities industries are constrained by provisions designed for only one of the business types.
- Fewer opportunities for consumer, investor and marketplace education
- No restitution for victimized Alaskans and a \$25,000 maximum civil penalty for scammers.



# Recent Securities Scams in Alaska

**Michael Scow** – Arizona-based insurance agent convinced an elderly Alaskan to invest \$12,000 in building his business.

**Fortune Oil and Gas, LLC** – Texas-based oil and gas scam that resulted in a \$3.1 million loss to Alaskans.

**SOS Disasterplan.com** – Alaska business that touted investments in an online disaster preparedness website – issued \$540,000 in unregistered/worthless shares

**Global Arena Capital Corp** – Unregistered NY firm and six employees cited for soliciting then selling junk bonds to a retired Alaskan halibut fisherman.

**Troy Stafford and Patrick Williams** – Alaskans that sold an Alaskan a \$40,000 investment with an employment opportunity in bogus AK companies, then reneged on a rescission offer.



# Questions?

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Protect consumers of financial services and promote safe and sound financial systems

Supporting the Department's mission to:

Promote a healthy economy, support strong communities, and protect consumers in Alaska