



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

ALASKA SECURITIES ACT

HB 170

Presented to
Senate Labor and Commerce

March 19, 2018

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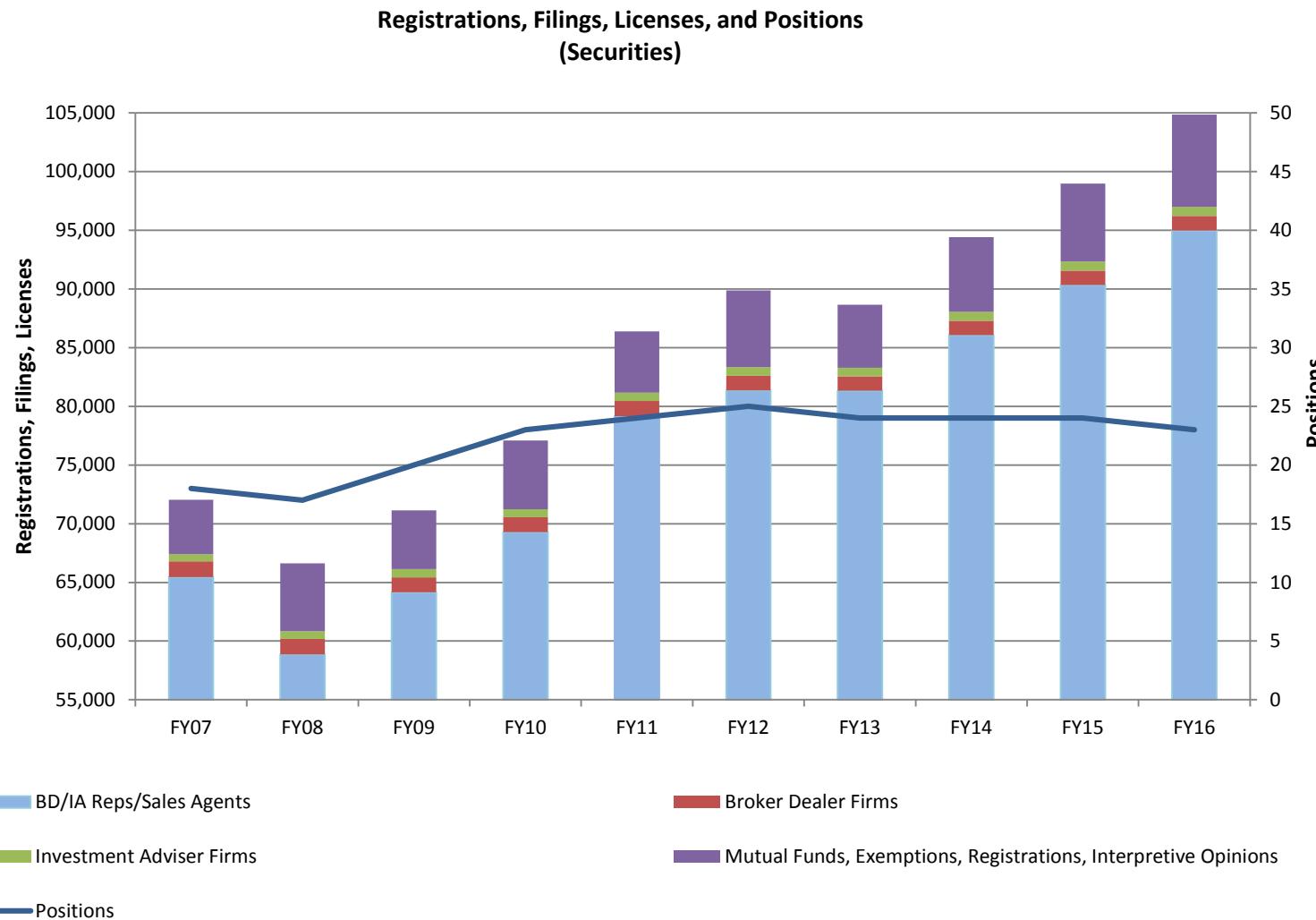


What is Covered by the Alaska Securities Act?

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



Securities Registrations, Filings and Licenses





Why Do We Need to Change the Act?

HB 170 addresses two main problems with our current law:

- Current law is outdated and hasn't kept up with the industry
- Consumer protection and enforcement provisions are insufficient



How Does the Bill Solve the Problems?

- Modernizes current law
- Enhances consumer protections



Modernizing Current Law

- Updates outdated provisions to better align the law with current industry practices
- Incorporates the Innovating Alaska Act which allows intrastate Crowdfunding to help grow Alaska Businesses
- Eliminates most filings that must be made with the Division
- Separates ANCSA from securities so the two programs can be regulated separately
- Improves organization



Enhancing Consumer Protection

- Increases administrative, civil and criminal penalties, especially for those who harm vulnerable people
- Allows for bad actors to be barred from the industry
- Requires brokers and advisers to report suspected financial exploitation of seniors and vulnerable adults to the Division and Adult Protective Services
- Improves investor education provisions, allowing for a portion of collected civil penalties to be deposited into a fund that the legislature may allocate for investor education.
- Facilitates continuing education for brokers and advisers



Recent Securities Scams in Alaska

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

J. Randall Gladden – Unregistered salesperson came to Alaska to give financial presentations to local church communities after he had been suspended by federal regulator from acting as a securities agent.

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

Garden State Securities - agent from Global went to Garden State and attempted to sell risky investments to same customer without a license in Alaska.



HB 170

- Article 1. General Provisions - p. 15
- Article 2. Exemptions from the Registration of Securities – p. 15
- Article 3. Registration of Securities and Notice Filing of Federal Covered Securities – p. 30
- Article 4. Broker-dealers, Agents, Investment Advisers, Investment Adviser Representatives and Federal Covered Investment Advisers – p. 42
- Article 5. Fraud and Liabilities – p. 70
- Article 6. Administration and Judicial Review – p. 72
- Article 7. Miscellaneous and Additional General Provisions (includes definitions) –p. 93



Questions?

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Division of Banking and Securities' mission:
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