



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

# **ALASKA SECURITIES ACT**

## **HB 170**

Presented to  
Senate Labor and Commerce

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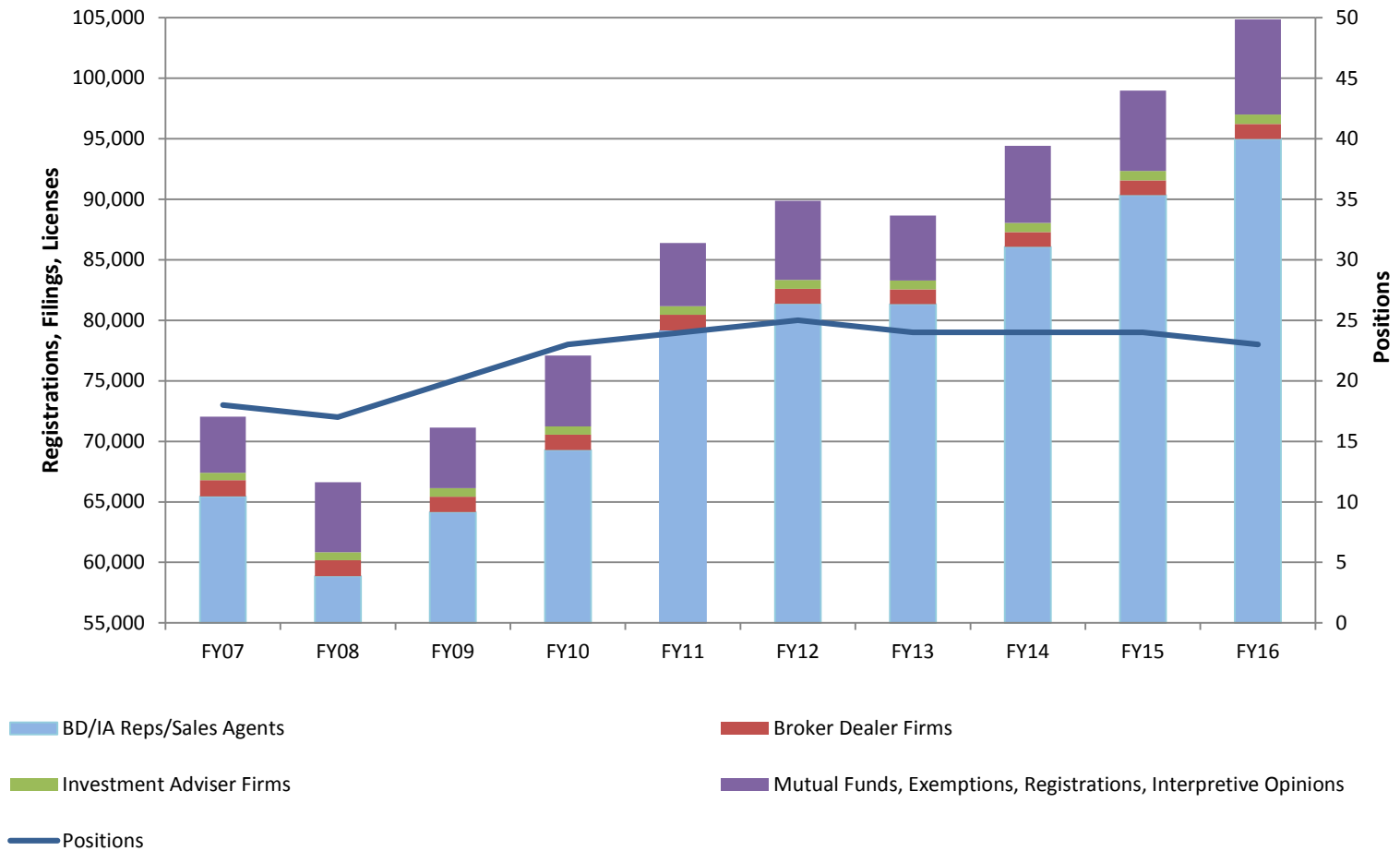
# What is Covered by the Alaska Securities Act?

- 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

Registrations, Filings, Licenses, and Positions  
(Securities)





# 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- Current law is outdated and hasn't kept up with the industry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- Updates outdated provisions to better align the law with current industry practices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