

ALASKA LEGISLATURE COMMITTEE FILES 1905-1900
4139 SJUD HB 126 - HB 141 1019

COMPANY

COMMENTS

Valley State Bank
6454 Van Nuys Blvd.
Van Nuys, CA 91401
818/979-0993
818/989-2265
Olsen, Solveig - Vice President

AK Resident solicited, 5/16/85, to buy silver contract, did not agree to buy but received via Federal Express a loan application from Olsen with no identity as to dealer. Bank's attorney says bank does not solicit silver contract sales itself. CA State Banking Dept. (SF) and CA Dept. of Corp. (LA) advised by AK, AK case closed.

YESCO

See The Denali Group.

Yare Energy Sciences Corporation
3723 Birch Street, Suite 24
Newport Beach, California 92660

See The Denali Group.

Bannister ✓
3/18/86

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
 2 SENATE CS FOR CS FOR HOUSE BILL NO. 126 (Judiciary)
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA
 4 FOURTEENTH LEGISLATURE - SECOND SESSION
 5 A BILL

6 For an Act entitled: "An Act amending the Alaska Securities Act."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 45.55.140(a)(5) is amended to read:

9 (5) an investment ^{SECURITY} contract issued in connection with an
 10 employee's stock purchase, savings, pension, profit-sharing, or simi-
 11 lar ^{EMPLOYEES'} benefit plan [IF THE ADMINISTRATOR IS NOTIFIED IN WRITING 30 DAYS
 12 BEFORE THE INCEPTION OF THE PLAN OR, WITH RESPECT TO PLANS WHICH ARE
 13 IN EFFECT ON MAY 9, 1959, WITHIN 60 DAYS THEREAFTER, OR WITHIN 30 DAYS
 14 BEFORE THEY ARE REOPENED IF THEY ARE CLOSED ON MAY 9, 1959];

15 * Sec. 2. AS 45.55.260(c) is amended to read:

16 (c) For the purpose of this section, an offer to sell or to buy
 17 is made in this state, whether or not either party is then present in
 18 this state, when the offer

19 (1) originates from this state; [OR]

20 (2) is directed by the offeror to this state and received at
 21 the place to which it is directed, or at a post office in this state
 22 in the case of a mailed offer;

23 (3) is for an interest or participation in an oil, gas, or
 24 mining right, title, or lease on land in the state, including sub-
 25 merged land, regardless of where the offer is made;

26 (4) is for an interest or participation in payments out of
 27 production under an oil, gas, or mining right, title or lease on land
 28 in the state, including submerged land, regardless of where the offer
 29 is made; or

1 (5) is for an interest or participation in real property
2 located in the state, or in a domestic corporation or a domestic
3 limited partnership; jurisdiction under this paragraph may be
4 exercised only when the exercise is^{not} consistent with the constitution
5 of this state or of the United States.
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 25, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of Art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that amends the Alaska Securities Act (AS 55) by extending its scope to include offers to buy or sell interests in oil, gas, or mining rights on land in the state, regardless of where the offer or sale occurs.

The bill was jointly prepared by the division of banking, securities and corporations of the Department of Commerce and Economic Development and the consumer protection section of the Department of Law in response to numerous complaints of fraudulent oil and gas lease schemes. These schemes typically involve solicitations by firms located outside Alaska who acquire an interest in oil or gas leases through bid offerings of the Department of Natural Resources or the federal Bureau of Land Management.

The lease tracts these firms acquire are often the least likely to contain valuable oil, gas, or mineral resources. However, these firms conduct massive high pressure telephone sales and media advertising aimed at would-be investors in the lower 48 states, promising them high returns if they "invest" in a portion of one of these Alaskan oil or gas leases. The offering firms often falsely represent that they have expertise in oil, gas or mineral exploration or development. What is especially offensive to our state is that these slick operators often use names such as "Alaska Oil and Gas Exploration" or "Alaska Petroleum Investments," and set up empty "shell" corporations with Alaska addresses.

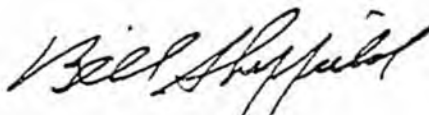
This bill would broaden the Alaska Securities Act to cover these business firms even if the "investment" sales are not made in our state or to Alaska residents. Essentially, the bill would do this by extending the jurisdiction of our state securities regulators and of our courts over these

fraudulent schemes. The state would be able to take legal action against these out-of-state sellers of Alaska mineral rights. By amending the Securities Act, Alaska can require these firms to file securities registrations regarding their sales, and to give prospective purchasers truthful information about the likelihood of realizing a gain on such investments.

This legislation will not affect legitimate companies engaged in oil, gas, or mineral exploration or production, as they are already exempted from the Alaska Securities Act by AS 45.55.140(b)(17).

This bill should be supported by consumer groups as well as by the legitimate members of the oil and gas industry. Therefore, I urge your prompt action on this bill to prevent further damage to the commercial image, nationwide, of Alaska.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

Revision Date: _____

REQUEST

Bill/Resolution No.: 102
Title: An Act amending the Alaska Securities Act
Sponsor: _____
Requestor: Governor Sheffield
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
Program Category Affected: Consumer Protection
BRU, Program or Subprogram(s) Affected: Banking, Securities & Corporations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		34.0	35.4	36.8	38.2	40.0
200 TRAVEL		2.0	3.2	3.4	3.6	4.0
300 CONTRACTUAL		3.0	3.2	3.4	3.6	4.0
400 SUPPLIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		5.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		45.0	42.9	44.8	46.7	49.4
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND		45.0	42.9	44.8	46.7	49.4
FEDERAL FUNDS						
OTHER						
TOTAL		45.0	42.9	44.8	46.7	49.4

POSITIONS:

FULL-TIME		1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached analysis.

Prepared By: Willis F. Kirkpatrick Phone: 465-2521
 Division: Banking, Securities & Corporations Date: 12/11/84
 Approved by Commissioner: Richard A. Lyon Date: 12/11/84
 Agency: Commerce & Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

0932W10884a

This bill, if enacted, will require that the Securities Section of the division undertake securities registration for the sale of oil and gas leases located in Alaska and will undoubtedly result in increased filings as well as substantial efforts in compliance and enforcement activities including hearings. A Business Registration Examiner position will be necessary to support these registrations. The current substantially increased workload has stretched the examining/enforcement staff to the limit. The additional clerical support will free up the professional staff time to cope with the expanded registration and enforcement duties imposed by the proposed legislation.

Travel of 3.0 will be required for investigation of wrongdoers in the field. Contractual funds of 3.0 is needed for hearing officer purposes in administrative proceedings. Additionally, a one time expense of 5.0 is included to cover costs of typewriter and computer terminal for the new position.

Amounts shown in FY '85 assume bill passage with an effective date that will permit one month personal services and purchase of equipment within this fiscal year. Form C5 reflects 5.0 in FY '86 for equipment assuming we do not have authority in FY '85.

0932W10884a

1.	POSITION TITLE BUSINESS REGISTRATION EXAMINER				RANGE/STEP 123	DEPT. UNIT GGU	PAGE/LINE	COV.	APPROV.	DI.
2.	TYPE OF POSITION Fulltime	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	PERSONAL SERVICES									
5.	Salary		25.6							
6.	Benefits		6.8							
7.	Supplemental Benefits		1.6							
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES		01		34.0					
10.	Travel		02		2.0					
11.	Contractual		03		3.0					
12.	Commodities		04		1.0					
13.	Equipment		05		5.0					
14.	Other									
15.	TOTAL COST				45.0					
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.		G. F. Match 1003								
19.		General Funds 1004								
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
		Other								
FOR BSM USE ONLY										
KEY NUMBER										

A new position will be required when the Alaska Securities Act is amended to protect the public against the shams in oil and gas land leases involving Alaska lands. The Securities Section will undertake the registration of the leases and will experience a substantial increase in the requirements for compliance, enforcement including hearing.

The responsibility for this position will be to set up in vestigative files, maintain data entry, file investigativ reports, coordinate material necessary for preparation of Cease and Desist Orders or possible court actions, screen initial registration documents, do follow-up for inquiry with other securities jurisdictions, BLM, DNR, as well as local State and federal law enforcement agencies.

Manage files and documents relative to registration, reco funds. In-field registration inspection as required. Generally assist securities examiner as directed.

**REQUEST FOR
NEW POSITION**

AGENCY Commerce & Economic Development
 PROGRAM Consumer Protection
 BRU Banking, Securities & Corporations
 COMPONENT Financial Institutions

Page 3 of 3
 Revised Date

FY 86

Revision Date: _____

REQUEST

Bill/Resolution No.: _____
Title: "An Act amending the Alaska Securities Act."
Sponsor: House Rules/by req. of Gov.
Requestor: Governor's Office - OMB
Date of Request: 12/11/84

FISCAL DETAIL

Agency Affected: Department of Law
Program Category Affected: General Government
BRU, Program or Subprogram(s) Affected: Legal Services Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		8.0	8.5	9.0	9.5	10.1
300 CONTRACTUAL		39.2	41.6	44.0	46.6	49.4
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	47.2	50.1	53.0	56.1	59.5
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	47.2	50.1	53.0	56.1	59.5
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Not specified by sponsor.

Prepared By: Richard I. Pegues, Director Phone: 465-3672
 Division: Administration Division Date: 12/12/84
 Approved by Commissioner: Richard I. Pegues / FOR Date: 12/12/84
 Agency: Norman C. Gorsuch Department of Law

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

This bill amends the state's existing securities laws to strengthen the state's law enforcement jurisdiction over securities offerings made in other states, where the underlying "value" of the security is a (non-competitive) oil, gas, or mineral lease on Alaska land. Sales of speculative investments in such leases are already regulated "security" transactions, but Alaska's current law does not allow the state to require registration, or to take enforcement action against sellers who set up offices outside Alaska but who market Alaskan leases as securities, usually only to non-Alaskans.

These sales are often fraught with misrepresentations about the value of the Alaskan oil or gas lease, or the true cost of exploring and developing production on the lease land. Investors in other states pay up to \$1,000 an acre for state and federal lease lands available over-the-counter in Alaska for \$1.00 an acre, in hopes of striking it rich, in line with the promoters' glowing promises.

These sales, and the subsequent losses of \$6,000, \$10,000, even \$20,000 to each of thousands of out-of-state investors, are very damaging to Alaska's commercial and investment image. Moreover, the subdividing into smaller parcels of these 640 acre leases may well defeat the underlying purpose of the state and federal exploratory (non-competitive) leasing program.

Enactment of this bill will require the attorney general to provide additional legal support for research, advice and enforcement action in the courts, as requested by the Division of Banking and Securities. As most of the offending companies are located outside Alaska, lawsuits to obtain injunctions against them will require substantial out-of-state travel funds to take depositions and interview witnesses, as well as funds to conduct those depositions and interviews.

It is expected that, at a minimum, five trips outside Alaska will be necessary to enforce registration of sales Alaskan oil, gas, or mineral leases outside Alaska. It will also be necessary to hire court reporters in order to take depositions and to hire outside counsel to file actions in jurisdictions outside the state.

Out-of-state Travel

5 trips X \$800 air fare =	\$4,000
5 X 10 days X \$80 per day =	<u>\$4,000</u>
Total travel & per diem =	\$8,000

4-10-86 - 40,000 - 2,000

Contractual

Court reporter services
6 hrs. X \$80 X 40 days = \$19,200

Outside counsel 4 occurrences
X \$5,000 = \$20,000

Total \$39,200

TOTAL COSTS \$47,200

Costs beyond FY 86 include a 6% annual inflation factor.

COMPANY

COMMENTS

Alaska Banks Petroleum Corporation
717 W. Hardwood Street, Suite 800
Diamond Shamrock Tower
Dallas, Texas 75201
214/969-9808

Temporary Cease and Desist Order issued by Washington Securities Division, 2/16/84.

Alaska Capital Corporation
22761 Pacific Coast Highway
Malibu, California 90265

Cease and Desist Order issued by the Maine Bureau of Banking 8/29/83. Same street address as Alcor Corporation and Federal Land Information Corporation. Alaska Cease and Desist Order issued 3/14/84. Postal Service search warrant executed 3/84. Contact N.W. Helmer, Postal Inspector, P.O. Box 30456, Los Angeles, CA 90030. Desist and Refrain, California Department of Real Estate, 5/10/84.

8754 Alaska Energy Trust
Wilshire Blvd., Los Angeles, CA 90024
SEE 210

2/15/84 offer to Ohio resident.
3/2/84 offer to California resident.
SEE OFFER TO N.C. RESIDENT.

Alaska Federal Petroleum Corp.
3785 N.W. 82nd
Miami, Florida 33167

Incorporated in Alaska 12/30/82.
Involuntarily dissolved 4/5/84.
Inquiries from New Jersey Bureau of Securities and Wisconsin Division of Securities.

Alaska Land Leasing, Inc.
688 Thousand Oaks Blvd.
Thousand Oaks, California 91360

Associated with Tundra Oil, Inc. and Anchorage Research and Management Co., the State of Alaska is presently litigating with this firm. Cease and Desist Order issued by the Iowa Superintendent of Securities 12/19/83. Cease and Desist Order issued by the Minnesota Commissioner of Commerce, Securities Section, 9/3/83. Cease and Desist Order issued by Missouri Secretary of State, Division of Securities, 3/14/83. Two Cease and Desist Orders issued by Texas State Securities Board naming Alaska Land Leasing, Inc., along with related entities and individuals on 2/17/84. South Carolina order to Cease and Desist 4/18/84. The Alaska Department of Natural Resources has numerous filings made by ALLI. On 11/25/83, Terry J. Risenhoover and Vic Gainer, who are associated with ALLI, became the initial directors of a new Alaska corporation, Alaskan Crude Corporation along with N.K. Goff. See TXA Investments, Inc. FTC has Preliminary Injunction. D&R California Department of Real Estate, 7/30/84.

28990 Pacific Coast Highway
P.O. Box 4010
Malibu, California 90265 (Former)
880 Thousand Oaks Blvd.
213/207/2770
213/207/2772
805/497-2262 (Thousand Oaks, CA)

ALASKA COMPANIES PROTECTION
BUREAU

SEE TRANS-PETRO

Current (5/14/84)
5655 Lindero Canyon Road
Suite 408
Westlake Village, CA 91362
818/889-9061

Alaska Mineral Equities
1065 N.E. 125th Street, #221
Miami, Florida 33161

Alaskan Oil and Gas Company
Penthouse #2
1207 Rideway
Sausalito, California

Alaska Oil and Gas Lease Owners
Association
22333 Pacific Coast Highway
Suite 101
Malibu, California 90265

Alaska Oil Development Corporation

Alaska Oil Leases
18500 N.E. 41st Court
North Miami Beach, Florida (Former)

4559 N.W. 7th Street, Box 293
Miami, Florida 33126
305/447-8708

The Alaska Oil Lottery
Milton, Connecticut

Alaska Petroleum Leasing Corp.
5781 W. Sunrise Blvd.
Plantation, Florida 33313

Alaska Stratigraphic Research
Associates, Inc.
3003 Minnesota Drive, Suite 301
Anchorage, Alaska 99503

Alaska Trans Trading Company
110 E. 23rd Street
New York City, New York 10010
212/475-4083

ALLI sent letter to its investors 5/14/84 saying it was going to "cease all retail Marketing", and that it had hired Masters Management Company, an affiliate of Masters Securities, to complete lease processing.

Post card solicitation of Alaska resident 3/84.

ARCO has requested this company to ensure that references to Atlantic Richfield or its subsidiaries are not made in connection with this company. Chairman Ronaldson Ewing found murdered San Mateo County, California (San Francisco Chronicle, 5/10/84, pg. 2). Missouri Cease and Desist 4/13/84.

Donald G. Banning, President

See Federal Property Record, Inc.

Alaska Cease and Desist issued 3/15/84. Contact Paul E. Feltman, U.S. Postal Inspector, P.O. Box 520772, Miami, Florida 33152-0772, 305/591-0379. See National Land Services, Corporation.

Maryland resident solicited 3/84.

Cease and Desist Order by Iowa Superintendent of Securities 12/19/83. Alabama Inquiry 4/12/84, Securities Commission.

Associated with Federal Property Record, Inc. Principals of firm associated with Alaskan Crude Corporation.

Associated with National Land Service Company, same address. Arrests by New York Bureau of Securities, 4/24/84. See National Land Services Corporation.

Alaskan Crude Corporation

See Alaska Land Leasing, Inc., *ALSO SCOTT AND
WAGNER*

Alaskan Oil & Gas
San Francisco, California

Inquiry concerning this firm received 2/84
from Scott P. Brochert, Commerce
Investigator, Enforcement Division, St.
Paul, Minnesota.

Alaskan Oil & Gas
1375 Sutter Street, Suite 422
San Francisco, California
415/776-9527

Inquiry by Minnesota Securities Division,
1/30/84 (Scott P. Brochert).

Alaskan Oil & Gas Incorporated
65 Cazneau
Sausalito, California 94965

Missouri Cease and Desist 4/13/84

Alaskan Petroleum Corporation
5574 Everglade Street
Ventura, California 93003

California resident solicited 4/27-28/84.
640 acres for \$6,800. Wisconsin resident
same. Blake Wilson, President. Colorado
resident 5/84, \$5,000/640 acres.

*aka Alaskan Petroleum Corporation
of Nevada, Artic Petroleum
Corporation of California

Alcor Corporation
22761 Pacific Coast Highway, Suite 22
Malibu, California 90265

Formed as a California corporation 12/2 82
and qualified to do business in Alaska
7/11/83. Corporate purpose "gas/oil/mineral
leases." Officers/Directors - Federick Von
Musser (37% stockholder), Aldo Vidali
(37% stockholder), Ron O'Haver, Charles
Able, Roger Rushworth, Roger Chaffin, Edward
Cargile, Viktoria Longmire, Jairo Cuellar
(10% stockholders). To date, there are no
reported solicitations by Alcor Corporation.

(Same street address as Alaska
Capitol Corporation and Federal
Land Information Corporation)

Anchorage Research Management Co.

See Alaska Land Leasing, Inc.

American Oil and Gas Leasing Corp.
Wells Fargo Bank Building
16055 Ventura Blvd., Suite 924
Encino, California 91436

Dr. Robert S. Cunningham, 17400 N.E.
13th Place, Bellevue, Washington 98008
was solicited by this firm.

Arctic Oil & Gas Corporation
3595 Sheridan Street, Suite 206
Hollywood, Florida 33021

Cease and Desist Order issued by the Iowa
Superintendent of Securities 12/19/83.
Allegedly a sister company of Omni
International. The Ohio Department of
Commerce (Securities Section-Paul Tague)
inquired into the solicitation of at least
one Ohio resident.

Arctic Oil and Gas Corporation
409 W. Hallandale Beach Boulevard
Suite 204
Hallandale, Florida 33009

Inquiry by Minnesota Securities Division,
1/30/84 (Scott P. Borchert).

Arctic Petroleum Corporation of
California

See Alaskan Petroleum Corporation.

Atlantic Oil & Gas Corporation
1065 N.E. 125th Street, Suite 221
North Miami, Florida 33161

The firm retained the services of an
Anchorage, Alaska geologist Thomas W.
Mortensen who by letter 9/14/83 objected to
the way Atlantic Oil & Gas Corporation was
using his name for sales purposes. Montana
Cease and Desist 6/14/83.

Barrington Aims Whitney, Ltd.
Arlington Heights, Illinois

Associated with Federal Property Record,
Inc., inquiry 3/7/84.

British American Petroleum, Inc.
1031 Ives Dairy Road, Bldg. 4
Suite 133
Miami, Florida 33179
305/653-7036

"Research Department," 905 Fairbanks #1
Anchorage, Alaska 99501. 907/274-9375

California Land Leasing Corporation
1322 Second Street, Suite 36
Santa Monica, California 90401
213/395-6909

Rhode Island resident solicited 7/84.

California Resources
Encinitas, California

In 1980, this firm was apparently associated
with Western Energy Resources, 801 South
Rancho Road, Boulevard D, Suite 1-A, Las
Vegas, Nevada 89106. In November 1982, the
Alaska Division of Securities declined to
register this program.

Chapen & Associates, Inc.
5230 Vesper Avenue, Suite 5
Sherman Oaks, California 91411
and
1642 Westwood Blvd.
Los Angeles, California 90024

California Corporation formed 12/20/82
qualified to do business in Alaska 8/16/83.
Cease and Desist Order issued by the Alaska
Division of Securities 2/3/84. *SEE 687 216*
53. 498 11/20/82 11.05 2/3/84

Citizens Oil & Gas
4630 Campus Drive., Suite 111
Newport Beach, California 92660

Inquiry by Mass. Securities Division
5/25/84. Lance Jenkins account
representative. *SEE 687 216*
53. 498 11/20/82 11.05 2/3/84

Commonwealth Management Corporation
Texas

Inquiry by Larry Gilley, 7333 Bramblewood,
Fort Worth, Texas 76133 (817/294-9586) who
had been offered an investment by the firm.

Delta Oil Company
9701 Wilshire Blvd.
Los Angeles, CA. 90025

Offer 11/84 to Illinois resident who invested with ALLI in Prudhoe Uplands - want \$4,500 which includes interest in Ohio project. Might involve Scott Chapin.

Denali Group, The
3723 Birch Street, Suite 24
Newport Beach, California 92660
714/852-0826

Offered to New York resident a limited partnership interest in a "Joint Venture Agreement" Copper River Basin. Associated with Yare Energy Sciences Corporation (YESCO). Offer to Michigan group.

5519 Sylvia Avenue
Tarzana, California 91356 (6/84)

Domestic Resources Corporation
3272 Motor Avenue, Suite G
Los Angeles, California 90034

An Anchorage, Alaska resident was solicited to invest with this firm, 1/84.

Dynasty Management Company, Inc.
Las Vegas, Nevada

An Anchorage, Alaska resident was solicited by this firm 11/83 and was told that Dynasty Management, Inc. was a Texas corporation. Montana Cease and Desist, 8/31/83; Missouri Cease and Desist, 10/20/83.

Eagle Oil & Gas Company
11601 Biscayne Blvd.
Coral Gables, Florida 33134

ARCO by letter 9/14/83 requested that this firm assure ARCO that all appropriate steps were taken to ensure that references to Atlantic Richfield or its subsidiaries were not made in connection with sales efforts (see Alaska Capital Corporation above). Same address as National Land Services Corporation.

Empire Petroleum Resources, Inc.
New York City, N.Y.

Has offered BLM lottery program John Lopez - New York Bureau of Securities and Investor Protection.

Energy Research Group Corp.
ENGLAND, CA.

See Petro-Tech. TRANSID 10-1-84 12-15-84. 1984/10/13/84. SCOTT. JAMES. FILLMORE 4001. Alaska Cease and Desist 3/14/84.

Federal Land Information Corporation
22761 Pacific Coast Highway, Ste. 22
P.O. Box 1100
Malibu, California
(Same street address as Alaska Capitol Corporation and Alcor Corporation.)

Federal Land Report, Inc.
Keystone Executive Building, Ste. 829
12555 Biscayne Blvd.
Miami, Florida 33181

Minnesota Cease and Desist Order issued 5/2/84 to Federal Land Report, Inc., Martin Jainchill, Howard Marlow and Dyanne Janoff. Jainchill president of FLRI. Associated with National Land Services Corporation, Kenneth W. Roth, president.

Federal Lease Filing Corporation
28990 Pacific Coast Highway*
P.O. Box 4010
Malibu, California 90265

*NOTE: Similar address for TXA
Investments, Inc. and Tundra
Oil, Inc.

Federal Land Management Corporation
Newbury Park, California

Federal Lease Filing Corporation
Lake Tahoe, Nevada

Federal Oil & Gas Corporation
1881 N.E. 164th Street
North Miami Beach, Florida 33162

Federal Petroleum Corporation
221 West Oakland Park Blvd., 320
Ft. Lauderdale, Florida 33311
305/564-6166

Federal Property Record, Inc.
715 W. Algonquin Road
Arlington Heights, Illinois 60005

Frontier Exploration Corporation

General Minerals Corporation
Woodland Hills, California

General Resources
32129 W. Lindero Cyn. Road
Westlake Village, California 91361

The State of Alaska is presently in litigation with this firm - see Alaska Land Leasing, Inc. above. We had correspondence with the firm in July 1982 concerning their BLM lottery program and solicitations which were made in Alaska. At that time, T.J. Risenhoover now with ALLI was president of Federal Lease Filing Corporation.

Search warrants were executed by postal inspectors at its California office in November 1983. Solicitations of an Alaska resident were made also in November 1983. The Alaska resident did not invest.

Inquiry by Nevada Securities Division 5/11/84. They claim to be offering working interests in oil and gas interests located in Kansas.

Missouri order of suspension. 3/23/84. Lottery program. Blue Sky L. Rep. (CCH) ¶ 71,953.

Seventy year old Texas resident invested \$25,000, 12/83. Firm also known as The Petroleum Corporation. Principal Lawrence Gollin. Texas Securities Commission working on (Isabelle Potts).

On 12/20/83, the Alaska Administrator of Securities issued a permanent Order to Cease and Desist, 3 Blue Sky L. Rep. (CCH) ¶71,901. Associated with Barrington Aims Whitney, Ltd., and Trans-Alaska Energy Corporation. FTC TRO 3/84. TRO by Illinois 5/15/84.

Cease and Desist Order issued by the Iowa Superintendent of Securities 12/19/83. No known solicitations in Alaska.

See Petro-Tech.

Mail solicitation to Alaska resident 6/84. Offer of Ohio oil wells.

Government Oil & Gas Lease
Program, Inc.
409 W. Hallandale Beach Blvd.
Suite 202
Hallandale, Florida 33009

Cease and Desist Order issued by the Alaska
Division of Securities on 10/13/83. No known
sales in Alaska. Desist and Refrain Order
5/14/84, California Department of Real
Estate.

International Marketing and
Exchange
5699 Kanan Road, Suite 229
Agoura, California

3/84 Tucson, Arizona resident was called and
told he had won a lottery. He was to send
\$9,600 to secure 80 acres.

International Western Resources
Corporation
8585 Stemmons Freeway, Suite 618
Dallas, Texas 75247

See Trans-Alaska Leasing Corporation.

Knight-Anderson
1100 Glendon Avenue
Los Angeles, California 90024
BRYANT OFFICE
KNIGHT OFFICE

Same address as United Artic Oil.
David Bryant and David Knight were or
are associated with this firm after closing
up Parker-Bryant, Lake Tahoe, Nevada (per
Nev. Sec. of State 9/4/84). Parker-Bryant
dealt in Kansas oil leases. No known Alaska
offers.

Leland Capitol Corporation
Dallas, Texas 75201

Offers and sales made to Alaska residents
prior to FTC complaint being filed. Cease
and Desist Minnesota, 12/1/83.

Magnum Exploration

This firm solicited a Homer, Alaska resident
in August 1983. No known sales in Alaska.
Florida Cease and Desist 12/25/83.

Masters Management Company

See Alaska Land Leasing, Inc.

Masters Securities

See Alaska Land Leasing, Inc.

National Land Service Company
110 E. 23rd Street
New York, New York 10010

Associated with Alaska Trans Trading
Company

National Land Services Corporation
11601 Biscayne Blvd., Ste. 200-D
North Miami, Florida 33181

A subsidiary of National Land Services
Corp. Alaska Cease and Desist Order issued
3/14/84. Same address Eagle Oil & Gas
Company. Arrests by New York Bureau of

National Land Services Corporation
(Continued)

110 E. 23rd Street
New York, New York

Securities 4/24/84. See Alaska Trans
Trading Company and Federal Land Report,
Inc.

National Properties of Marin
17 Woodland Place
San Rafael, California 94901
415/459-2966

California resident solicited 4/84.

North American Lease
Acquisition
1011 Ives Datney Road
North Miami Beach, Florida 33179

Order to Cease and Desist issued by the
Maine Bureau of Banking 12/15/83.

North American Mineral Exchange
Los Angeles, California
818/883-5656

Tucson, Arizona resident solicited, 2/6/84.

North American Resource Corp.

Cease an Desist Order issued by the Iowa
Superintendent of Securities to North
American Resource Corp. and Transworld
Resources Corp. on 11/21/83. Complaint filed
against the same firms 10/31/83 by the Idaho
Attorney General in the District Court of
the Fourth Judicial District in and for the
County of Ada. Civil file 83-436. The FBI
executed simultaneous search warrants at the
"offices" of North American Resource Corp.
in Anchorage, Alaska and in Florida.
Appears to be related to Westchase Petroleum
Exploration, Inc.

Northwest Asset Corporation
P.O. Box 17265
Denver, Colorado 99701

Inquiry by Texas Securities Commission,
3/6/84. Associated with USA Resources, Inc.
and TXA Investments, Inc. David Kane,
President. See Artic Oil & Gas
Corporation.

Omni International

See Artic Oil & Gas Corporation

Pacific Northwest, Inc.

See National Land Service Corporation
above. Indictment by AZ. of Pacific &
Kenneth Alan Gold 6/6/84. See National Land
Services Corp.

Parker-Bryant
Lake Tahoe, Nevada

See Knight-Anderson

Petro Alaska
6500 Greenville Avenue, Suite 440
Dallas, Texas 75206-9990

Inquiry received 1/12/84 concerning this firm from Mr. and Mrs. Steve Larson, Box 22088, Harlan Star Route, Blodgett, Oregon 97326.

Petrogroup, Incorporated
P.O. Box 50385
Reno, Nevada 89513

Missouri Cease and Desist, 4/6/84.

Petrolaska Corporation
8383 Wilshire Blvd., Ste. 224
Beverly Hills, California

Formed as an Alaska corporation 8/11/83. with its purpose "oil and gas extraction." The incorporator was Stanley M. Clark whose address is shown at the left. The local mailing address is P.O. Box 2794, Anchorage, Alaska 99510 and the registered agent is William O. Vallee, 4430 W. 7th Avenue, Suite 1, Anchorage, Alaska 99510. It is not known if this firm is engaged in the leasing of federal oil and gas drilling rights.

Petroleum Financial and Marketing Group, Inc.
11245 Avondale Road, Route 403
Thornville, Ohio 43076

See Petro-Tech.

Petro-Tech
11754 Wilshire Blvd., Suite 201
Los Angeles, California 90025
213/479-0054

Offers oil and gas "joint ventures" on properties located in Kansas and Ohio. Alaska Temporary Cease and Desist 7/27/84. Address similar to Alaska Capitol Corporation. Petro-Tech a "subsidiary" of Energy Research Group Corp. Might be associated with General Minerals Corporation and Petroleum Financial and Marketing Group, Inc. *KANSAS S-E 27 ENERGY RESEARCH GROUP, ET AL, (11-83) CASE NO. 1 C.R.P. (CCH) 11 7-155.*

Resource Service Company, Inc.
2979 North Mayfair Road
P.O. Box 26245
Milwaukee, Wisconsin 53226
414/453-8080

~~No-known-Alaska-solicitations.~~ Materials mailed to Wisconsin Securities Commissioner 7/10/84. *LOTTERY FILING JEROME*

Satellite Energy Corporation
New York City, N. Y.

Has offered BLM lottery program. John Lopez - New York Bureau of Securities and Investor Protection.

Shaviovik River General Partnership

See TXA Investments, Inc.; USA Resources, Ltd.

Spearman Company, The
Los Angeles, California

Wasilla, Alaska doctor solicited 2/28/84. No additional information presently available.

Stratford Company, Inc.
11601 Biscayne Blvd.
Miami, Florida 33181

TXA Investments, Inc.
P.O. Box 4034
28990 Pacific Coast Highway
Malibu, California 90265

✓ (ACQUISITION FROM SALE 5
PAGE 9)

Trans Alaska Energy Corporation
Miami Beach, Florida
Van Nyes, California
Chicago, Illinois

Trans-Alaska Investment, Inc.
1001 Ives Dairy Road - 3204
North Miami Beach, Florida 33179

Trans-Alaska Leasing Corporation
(Company)
5445 Balboa Boulevard, Suite 111
Encino, California 91316

Trans-Alaska Oil Development

Trans World Resources Corporation
Hollywood, Florida 33024

Tundra Oil, Inc.
28990 Pacific Coast Hwy., Ste 214
Malibu, California 90265

USA Resources, Ltd.
1331 - 17th Street Suite 400
P.O. Box 5200
Denver, Colorado 80217

✓ Trans-Petro
Encino, CA.
818/906-1445

Florida Cease and Desist 10/25/83; Michigan
Cease and Desist 10/24/83. Same address as
Eagle Oil & Gas Company.

Offers "Partnerships," Cliff Burglin,
Fairbanks, Alaska, "Managing General
Partner." Associated with Alaska Land
Leasing, Inc. or Alaska Capitol
Corporation? Montana Cease and Desist for
Texas oil program, 3/20/84.

On 12/19/83, Mylo Tague, 1937 Denslow Drive,
South Bend, Indiana advised that he had
been solicited by this firm. David Swain
was identified to Tague as chairman (see
Federal Property Record Company, Inc. and
Barrington Aims Whitney, Ltd., above). FTC
TRO 3/84.

Inquiry 2/27/84 by Alabama Securities
Division. Again 4/12/84.

Sale in 5/84 of Partnership interest in
an Ohio well to a California resident along
with a related 240 acre "Alaskan exploratory
right." (Denali Block) Associated with
International Western Oil, International
Western Mud, International Western Drilling,
International Western Resources Corporation,
Trans-Petro, "Petro-Mark."

Associated with Federal Property Record,
Inc. - Alabama inquiry 4/20/84.

Final order to deny or revoke exemptions
and Cease and Desist issued by Michigan
Corporation and Securities Bureau 2/27/84.

The State of Alaska is presently in
litigation with this firm. (See Alaska
Land Leasing above.)

Inquiry concerning this firm received
1/31/84 from David Reintf, 1508 S. Merlon,
Aberdeen, South Dakota 57401. Inquiry by
Texas Securities Division, 3/6/84.
Associated with Northwest Asset
Corporations.

Apparently has mailing list of ALLI people
from which solicitations are being made.

k

Bass Oil Co.
2213 Van Owen Street
Canoga Park, CA. 91307
818/716-5211

~~xxxxxx~~ Green, Alfred
Bass, Donald - PRESIDENT
Daehon, Adam
Linder, Tricia - employee

3/85 gave St. of Ak. \$195,000 check
to maintain lease payments for land
sold to ALLI investors. Payment
stopped on check.

~~XXXXXX~~
-Bank DuPont
23441 South Pointe Dr.
Laguna Hills, CA.

~~619/235-0383~~

Gardner, H.L. - Exec. V.P.
Kirby, Jonathon - Salesman
Michael, Robert C. - Geologist

- EIMBERG, RICHARD - ACCT. EXEC.

- CH. CHARLES - EXEC. V.P.

Inquiry from Ca. 3/11/85. Offering
for \$2,000 an undivided interest
in 560 acre federal lease held by
Bank DuPont using ~~xxxxxx~~ name
IRA 1984 ~~as~~ Partnership.

*ASSOCIATED WITH FEDERAL RESEARCH ASSOCIATES, INC. 1000 CLAYDEN BLDG. ST. LOUIS, MO. 63101
BEACH, CA. INTERNATIONAL HOLDINGS, N.V.*

~~Micall~~

Micallef Energy & Development
Corporation

~~Two~~Two Century Plaza
2049 Century Park East, Suite 110
Los Angeles, CA. 90067
213/556-3003

Micallef, Gregory E. - President
Skinner, Michael C. - Vice President
Vilardi, John

Dealing in Alaska federal oil &
gas leases.

3123 B. Broadmoor Vly. Rd.
Colorado Springs, CO 80906
January 23, 1985

RECEIVED
JAN 31 A 11:28

Subject: Alaska Land Leasing Inc.
(A California-based Alaska Corporation)
To: Alaska Banking, Securities and Corporation Division
of Commerce and Economics.
Pouch D
Juneau, Alaska 99811

In June 1983 I purchased a 160 acre BLM Oil Lease, serial # AA048253 through the Alaska Land Leasing Inc., a State of Alaska Corporation with offices in and around Las Angeles, California. legally described as the SE $\frac{1}{4}$ Section 27, Twp.32 N, Rng.10E in the Seward Meridian. The ALLI principals in this transaction were:

Frank Smith, Sales Representative ALLI
Terry J. Risenhoover, Chairman of the Board ALLI
Vic Gainer, Executive Vice-President ALLI
David Castle, Documents Control Manager ALLI
Marjorie Diehl Foote, Tundra Oil, INC

Shortly thereafter, I became concerned when there were NEWS releases about Fraud in the Oil Leasing Industry and I wrote to the Better Business Bureau, Los Angeles Counties, 639 South New Hampshire Ave, L.A., CA 90005; I received a "form letter" which indicated no fraudulent Business dealing being conducted by ALLI.

In December 1983 I purchased a one-thirtyfifth (1/35) interest in the Prudhoe Uplands 34-231 Associates, a subsidiary of Alaska Land Leasing Inc. The principals in the Prudhoe Uplands Associates were:

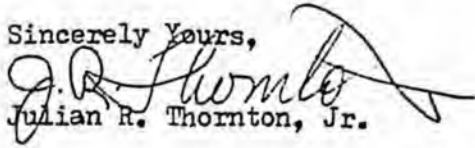
Frank Smith, Sales Representative ALLI
Terry J. Risenhoover, Chairman of the Board ALLI
Vic Gainer, President, ALLI
Ms. Marlana Huter, ALLI ("one of the General Partners P.U. 34-231)
David Castle
Marjorie D. Foote

I received a letter, dated May 14, 1984 from Terry Risenhoover, ALLI informing me of a reorganization with a change in address and new telephone numbers (see attached copy). On May 15, 1984 I received a telephone call from a Richard Brown, Master Securities Management, saying that he was taking over my account. When he was unable to answer my questions I ask him to have Vic Gainer call me. Finally, on June 20, 1984 I received a call from Vic Gainer who promised to send me a list of the shareholders in the Prudhoe Uplands 34-231 Associates. To date I have not received that list nor have I been successful in my attempts to contact anyone associated with ALLI.

I understand that the State of Alaska has filed a civil suit in the Superior Court, against both Alaska Land Leasing Inc and Tundra Oil, Inc. I would appreciate any information you may be able to give me including addresses and telephone numbers of the corporation(s) and the remaining principals in the organizations.

Thanking you in advance, I am

Sincerely Yours,


Julian R. Thornton, Jr.

Alaska Land Leasing Inc.

~~Suite Floor - P.O. Box 401326~~
~~Los Angeles, CA 90049~~
~~(213) 825-2429~~

May 14, 1984

Dear Alaskan Lease Holder:

After many months of serious consideration, we at Alaska Land Leasing Inc. have decided to cease all retail marketing.

We are continuing to function as a wholesaler of large blocks of oil and gas leases for publicly registered offerings.

As a result of this decision we have found it necessary to close both our Brentwood and Thousand Oaks, California offices.

We have opened a new service office at:

Alaska Land Leasing Inc.
5655 Lindero Canyon Road
Suite #408
Westlake Village, CA 91362

This office will be staffed by Mr. Vic Gainer and myself. Either one of us may be reached by calling:

(818) 889-9061

We have hired Masters Management Company, an affiliate of Masters Securities, to complete all lease processing and to handle all inquiries regarding your leases.

Masters Management Company has hired a few former Alaska Land Leasing Inc. administrative staff members to provide you with the best possible service.

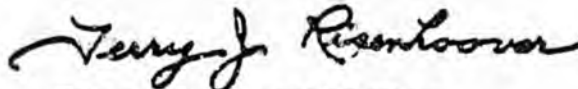
If you have any questions regarding your lease, please call either David Castle or Marjorie Foote at:

(818) 991-5805

Thank you for your consideration. I remain . . .

Cordially yours,

ALASKA LAND LEASING INC.



Terry J. Risenhoover,
Chairman



TJR:dwk

FEDERAL TRADE COMMISSION
WASHINGTON, D. C. 20580

BUREAU OF
CONSUMER PROTECTION

March 14, 1984

The Honorable Richard I. Eliason
Chairman
Senate Labor and Commerce Committee
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Chairman Eliason:

The Federal Trade Commission's Bureaus of Competition, Consumer Protection, and Economics,¹ at the request of Governor Sheffield, submit comments on Senate Bill No. 432. We wish to thank you and Governor Sheffield for the opportunity to share our views on S. 432. We think that expanding the jurisdiction of the Alaska Securities Act of 1959 to cover all oil and gas leases to land located in Alaska would complement our efforts and those of other federal and state agencies to control what appear to be serious abuses in the rapidly growing, nation-wide marketing of Alaska oil and gas leases. The Commission staff favors passage of S. 432.

The Commission, in fulfilling its Congressionally-mandated mission to protect consumers from unfair and deceptive practices in the nation's commerce, has been investigating suspected fraud by sellers of oil and gas leases and related services. In the course of these investigation the Commission staff has identified from the public records of the federal Bureau of Land Management ("BLM") and the Alaska Department of Natural Resources a number of companies that have acquired oil and gas leases to millions of acres of land in Alaska. These companies acquired most of their leases for \$1 per acre under the BLM noncompetitive oil and gas leasing program.² Most of these acquisition have occurred in the Minchumina, Denali, and Tielkel block areas of Alaska.³

¹ This statement reflects the views of the Bureaus of Competition, Consumer Protection and Economics of the Federal Trade Commission, but does not necessarily reflect the views of the Commission or of any individual Commissioner. The Federal Trade Commission has voted, however, to authorize the Bureaus to submit these comments.

² 43 C.F.R. § 3110 et seq.

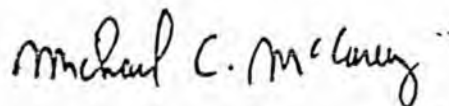
³ Public Land Orders Nos. 6098, 46 Fed. Reg. 61472 (December 17, 1981), and 6329, 47 Fed. Reg. 39495 (September 8, 1982).

for lands located in Alaska. This revision would empower the Alaska Division of Securities to require these companies to register their leases as securities and to provide prospective purchasers with meaningful disclosures of the speculative nature of these investments.

Senate Bill No. 432 should not materially hinder the development of Alaska's resources. The Alaska Securities Act already includes an exemption for sales of leases to bona fide oil and gas exploration companies. Thus, the expansion of the securities law's jurisdiction should not materially change the effect of the statute on those firms actually exploring and developing Alaska's resources.

The Commission staff strongly supports passage of S. 432. With the new authority granted by this bill, state officials could effectively join the Commission and other federal law enforcement agencies in our efforts to protect consumers and to stop the possible misuse of Alaska's name and its resources.

Very truly yours,



Michael C. McCarey
Associate Director

STATE

1985

BILL SHEFFIELD, GOVERNOR

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

DIVISION OF BANKING, SECURITIES & CORPORATIONS

POUCH D
JUNEAU, ALASKA 99811

Banking & Securities (907) 465-2521
Corporations Section (907) 465-2530

ANCHORAGE

Corporation Information (907) 563-2163

February 5, 1985

Honorable Mike Navarre, Chairman
House Labor and Commerce Committee
Pouch V
Juneau, Alaska 99811

Attention Roger Poppi
Administrative Assistant

Dear Representative Navarre:

Re: House Bill 126 - An Act Amending the
Alaska Securities Act

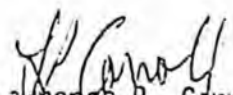
You have requested of this division whether or not the enclosed HB 126,
amending the Alaska Securities Act, is in conflict with any federal law.

Last year when this particular legislation was drafted and compiled by the
Department of Law, that same question was treated by the Attorney General.
In seeking their counsel on this matter, we were advised that the proposed
legislation does not conflict with the Interstate Commerce provisions of
federal law, and, because this deals with an important state's rights
interest, i.e., the lease held lands are located in Alaska, the State was
well within its jurisdiction to require disclosure and registration on
offerings concerning Alaska land. I believe the position of the Department
of Law is unchanged with respect to this matter but suggest that, should
confirmation of this position be desired, a request be made of the
Department of Law, specifically either Mr. Jeffrey Bush, who represents the
division on matters of this nature, or to the Attorney General, himself,
who testified on this matter at last year's Senate and House hearings.

We see no apparent conflicts with federal law or, at least, none that are
insurmountable and defer to the department of law with respect to any
formalized opinions.

I remain at your disposal should you require any further information or
assistance.

Yours very truly,


Lawrence P. Carroll
Senior Securities Examiner

LPC/vall081c
2/5/85A
Enclosure

STATE OF ALASKA,)
)
 Plaintiffs,)
)
 vs.)
)
 ALASKA LAND LEASING, INC.,)
 an Alaska Corporation, TUNDRA)
 OIL, INC., a California Corp.)
 ANCHORAGE RESEARCH & MANAGE-)
 MENT COMPANY, an Alaska)
 Corp., and FEDERAL LEASE)
 FILING CORPORATION, a)
 CALIFORNIA CORPORATION,)
)
 Defendants.)
)

Case No. 3AN-81-8867 Civil

DECISION AND ORDER

This case is before the Court on defendant's motion to dismiss or for partial summary judgment. Also before the court is defendant's motion to strike the affidavit of Edward Watkins, which is attached to plaintiff's opposition motion.

In a first amended complaint dated December 12, 1983, the State alleges the following violations by defendants, Alaska Land Leasing (ALLI) and Tundra Oil (Tundra):

- (1) Common law fraud;
- (2) Violations of the Alaska Securities Act, AS 45.55.010;
- (3) Violations of the Alaska Uniform Land Sales Practices Act, AS 34.55 et seq.;
- (4) Violations of the Unfair Trade Practices and Consumer Protection Act, AS 45.50.47-.561.

In their motion to dismiss or for partial summary judgment, defendants ALLI and Tundra request that the court dismiss the allegations of violations of the Uniform Land Sales Practices

Defendants further request that the court dismiss all claims for relief which request remedies to be applied outside the State of Alaska.

Pre-emption

Defendants assert that the State is pre-empted from regulating sales or assignments of Bureau of Land Management oil and gas leases on lands situated in Alaska. Defendants cite Ventura County v. Gulf Oil Corporation, 601 F.2d 1080 (9th Cir. 1979), aff'd per curiam, 445 U.S. 947 (1980), as support for the proposition that the federal Mineral Lands Leasing Act of 1920, 30 U.S.C. §§ 181 et seq., pre-empts the Alaska State Uniform Land Sales Practices Act in the field of oil and gas leases. In Ventura, the court held that the federal act pre-empted local regulations where local ordinances impermissibly conflicted with the Mineral Lands Leasing Act. The present case is distinguishable from Ventura in that there is no impermissible conflict between the federal act and AS 34.55 et seq. See, Texas Oil and Gas Corp. v. Phillips Petroleum Company, 406 F.2d 1303 (1969), in which the court upheld a state's oil well spacing and forced pooling orders relating to federal leases which did not conflict with federal regulations. The Court stated that nothing in the Mineral Lands Leasing Act indicated a Congressional intent to assume exclusive control of federal lands leased for oil and gas development. In Ventura County, the conflict between the local ordinances and federal regulations was direct and fundamental, as the county had given itself a right of final

approval over drilling operations by federal lessees. No such conflict exists in the present case, and no Congressional intent to assume exclusive control of the field is evident. Therefore, the motion must be denied.

The constitutionality of state regulation of sales or assignments of BLM oil and gas leases between non-residents on lands located in Alaska

Defendants further assert that the extension of extra-territorial jurisdiction based solely on AS 34.55.032(3) violates due process, the full faith and credit clause and the commerce clause. Defendants argue that the sole nexus between the state of Alaska and defendants is the fact that real property underlying a non-Alaska lease transaction is situated in Alaska. Thus, the contact between Alaska and defendants is a de minimus one and the law of the forum in which the transaction takes place should apply.

In the present case, Alaska has a substantial state interest in preventing fraudulent sales of oil and gas leases within its borders. Therefore, due process is not violated in the extension of the state's jurisdiction pursuant to AS 34.55.032(3). In Shaffer v. Heitner, 433 US 186, 53 L. Ed. 2d 683, 97 S. Ct. 2569 (1977), the U.S. Supreme Court expressed the strong state interest involved when property which is directly related to the cause of action is located in the state. The court stated:

1
The court stated: "The Federal government has authorized a specific use of federal lands, and Ventura County cannot prohibit that use either temporarily permanently, in an attempt to substitute its judgment for that of Congress." Ventura County, 601 F.2d at 1084.

The State's strong interest in assuring the marketability of property within its borders and in providing a procedure for peaceful resolution of disputes about the possession of that property would also support jurisdiction, as would the likelihood that important records and witnesses will be found in the state. Id. 433 US at 208, 53 L. Ed. at 700

The state of Alaska's assumption of jurisdiction under AS 34.44.032(3) is consistent with this policy favoring jurisdiction where property directly related to a controversy is located within the state. The state has a strong interest in regulating sales of property and assuring marketability of land within its borders.

Defendants ALLI and Tundra argue that extension of extraterritorial jurisdiction under AS 34.55.032(?) violates the full faith and credit clause because their principal place of business is in California and their business transactions take place within and from the state of California. However, as plaintiffs argue, the full faith and credit clause only arises when there is a conflict of laws between states. Defendants' assertion of a conflict is therefore hypothetical, as they fail to allege a specific conflict between AS 34.44 et seq. and the laws of other states.

Defendants further argue that the state's assertion of authority under AS 34.55.032(3) unduly burdens interstate commerce in that the state seeks directly to regulate interstate commerce, the regulation is not targeted at any legitimate public interest, and is clearly excessive in

regard to any benefit which the state may derive from the regulation. However, the general rule for determining the validity of a state statute affecting interstate commerce has been stated in the following manner: "Where the statute regulates even handedly to effectuate a legitimate local public interest, and its effects on interstate commerce are only incidental, it will be upheld unless the burden imposed on such commerce is clearly excessive in relation to the putative local benefits." Pike v. Bruce Church, 397 US 137, 142, 25 L. Ed. 2d 178, 90 S. Ct. 844 (1970), quoting Huron Cement Co. v. Detroit, 362 US 440, 443; 4 L. Ed. 2d 852, 856, 80 S. Ct. 813. The extent of the burden that will be tolerated depends on the nature of the local interest, and on whether that interest could be promoted with a lesser impact on interstate activities, Pike v. Bruce Church, supra, 397 US at 142.

In the present case, the state's interest is in preventing fraudulent activities in sales of oil and gas leases by requiring full disclosure to potential buyers. The "burden" upon interstate commerce is that defendants must provide buyers of their oil and gas leases with a public offering statement as required by AS 34.55.012. Thus, since the state's interest in preventing fraudulent activities in the sale of oil and gas leases considerably outweighs the burden imposed by AS 34.55.-.012's requirement of the filing of a public offering statement, the effect upon interstate commerce is minimal. Additionally, it does not appear that the State's interest in regulation of the sale of oil and gas leases could be promoted with a lesser impact on interstate activities.

under parens patriae theory

Defendants assert that since the state's authority to sue for common law fraud stems from a parens patriae theory of standing, the Attorney General has no standing to assert claims for relief on behalf of non-resident investors for investments offered and accepted outside the State of Alaska. However, Alaska has a legitimate state interest in preventing fraudulent practices in sales of oil and gas leases on Alaska land. The state has the authority to protect those interests under a parens patriae theory. Also, in Hoppeston Co. v. Cullen, 318 U.S. 313, 318 (1943), the United States Supreme Court reasoned, in determining whether a state had authority to regulate a particular business activity, the following factors were important: the location of the activity prior and subsequent to the making of the contract, the degree of interest of the regulating state in the object insured, and the location of the property insured. Thus, under either of these tests, Alaska has the authority to regulate the sale of oil and gas leases to non-resident investors for investments offered and accepted outside the state.

The application of the Uniform Land Sales Practices Act to state oil and gas leases which were never subdivided

Defendants argue that Count III of the Complaint alleging violations of the Uniform Lands Sales Practices Act must be dismissed with respect to State of Alaska oil and gas

leases because the state oil and gas leases have not been "subdivided". The Act's scope is limited to transactions involving subdivided land. "[S]ubdivided land" is defined as

land which is divided or proposed to be divided for the purpose of disposition into two or more lots, parcels, units, or interests. . . AS 34.55.044(6)

The parties have stipulated to the following facts.² The defendants initially attempted to sell interests in subdivided portions of the state leases, but the state Department of Natural Resources declined to approve the plan. After the state's refusal to allow the defendants to sell subdivided leases, defendants organized twenty-one limited partnerships, each of which was to own 100% of individual leases subject to overriding royalty interests. Defendant Alaska Land Leasing, Inc. [ALLI] is general partner in all of the partnerships, some of which included as limited partners those who had made their investment in the state leases before ALLI had notice of the Department's disapproval of its plan to subdivide them. There has been no subdivision of the state leases.

The State contends the land is "subdivided", for two reasons. First, it argues that the word "interest" in AS 34.55.044, as it refers to subdivided land, should be construed to include limited partnerships. Second, it says ALLI offered certain investors subdivided lease parcels and received money from investors who were told and believed they were buying specific, subdivided lease parcels. Thus,

² Stipulation, at 5, 6, [16, 7, 8, 10].

the land was proposed to be divided within the meaning
AS 34.44.044.

As to the first contention, that "interests" should be construed to include limited partnerships, defendants reply only that "[s]uch a contention is ridiculous." Neither party supports its interpretation of the statute with citations to case law or rules of statutory construction. The briefing on this issue is inadequate and must be supplemented.

As to the second issue, that the land was "proposed to be divided", the fact that some investors initially made their investment in a purported subdivided state lease before ALLI had notice of the DNR's position on subdivided lease assignments is not in dispute (See stipulation of facts, ¶7). The Act does not regulate transactions relating to non-subdivided land. However, the State claims the fact that no actual subdivision ever occurred is irrelevant.

AS 34.55.044(2) provides that an "offer includes every inducement, solicitation or attempt to encourage a person to acquire an interest in land, if undertaken for gain or profit." AS 34.55.044(6) defines subdivided land as "land which is divided or is proposed to be divided for the purpose of disposition into two or more lots . . ." (emphasis added). In addition, AS 34.55.006 prohibits fraudulent conduct "in connection with the offer, sale or purchase of subdivided land."

In the present case, I conclude that the alleged fraudulent conduct by ALLI "in connection with" the sales of state leases which were proposed to be subdivided--those transactions in which ALLI offered investors subdivided lease parcels and received money from investors who believed

they were buying unperfected lease parcels in violation of the scope of AS 34.55.006. Although the stipulation of the parties shows that the land was never actually subdivided, the fact that the land was "proposed to be divided" makes it subdivided land within the meaning of AS 34.55.044(2) and therefore subject to regulation under AS 34.55.006.

Plaintiff's amended complaint appears to refer to these "proposed to be divided" transactions in its prayer for relief only in paragraph 4, which asks for an order requiring full disclosure of all material facts to the purchasers and an offer to rescind the transaction and to have the purchase price repaid. Other prayers for relief in the amended complaint would not seem to refer to relief provided by the Uniform Land Sales Practices Act, unless I accept the state's proposed interpretation of the word "interests" as it is used in the Act. As to those transactions in which the leases were proposed to be subdivided, the motion for summary judgment must be denied. As to those in which the State contends that a limited partnership interest makes the land subdivided within the meaning of the statute,³ I shall defer decision until the briefing is complete.

The applicability of the Unfair
Trade Practices and Consumer Protection Act

The State asserts that defendants' representations in connection with the promotion of oil and gas leases were consumer services as defined by AS 45.50.471. However, in State v. First National Bank of Anchorage, 660 P.2d 406

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Defendants have contended also that AS 34.55.042(b)(5) exempts limited partnership sales from regulations under the Uniform Land Sales Practices Act because these sales are regulated under the Alaska Securities Act. The State has responded that the Alaska Securities Act only regulates offers made by defendants to Alaska residents and not to offers made to residents of other states. In their reply brief, defendants have not answered the State's argument. It would appear they have abandoned their contention as to their issue.

regard to the promotion of real estate were not consumer services. Consequently, that portion of the State's complaint alleging violations of the Unfair Trade Practices and Consumer Protection Acts shall be dismissed.

Motion to Strike

Defendants have also filed a motion to strike the affidavit of Edward Watkins, which is attached to plaintiff's opposition motion. I find that the motion should be denied. Rule 12(f) provides that the court may strike "any insufficient defense or any redundant, immaterial, impertinent or scandalous matter." Defendants have failed to show that the affidavit and its accompanying exhibits are "redundant, immaterial, impertinent or scandalous" within the meaning of Rule 12(f).

ORDER

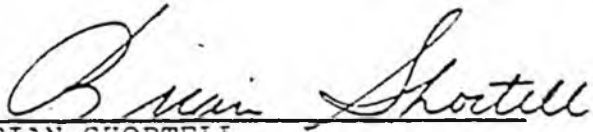
That portion of the amended complaint alleging violations of the Unfair Trade Practices and Consumer Protection Act is dismissed.

The parties are directed to supplement their briefs. Within ten (10) days of the date of this order, plaintiff shall fully brief the issue whether the word "interests" as used in AS 34.55.044 includes limited partnerships of the type created in this case. Defendants shall respond to plaintiff's brief within ten (10) days after receiving it. No reply shall be allowed.

All other portions of the amended complaint not referred to in this order are retained.

Defendants' motion to strike is denied.

DATED at Anchorage, Alaska this 29 day of June 1984.


BRIAN SHORTELL
SUPERIOR COURT JUDGE

DECISION AND ORDER
STATE OF ALASKA VS. ALASKA LAND LEASING

Page 11 of 11

I certify that on 6-29-84
a copy of the above was mailed
~~hand delivered~~ to each of the
attorneys and/or individuals at
their addresses of record

Scarlett Statts
J. Petomenos
J. Bush

Bannister
3/24/86

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 126 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Securities Act."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 45.55.140(a)(5) is amended to read:

9 (5) an investment contract issued in connection with an
10 employee's stock purchase, savings, pension, profit-sharing, or simi-
11 lar benefit plan [IF THE ADMINISTRATOR IS NOTIFIED IN WRITING 30 DAYS
12 BEFORE THE INCEPTION OF THE PLAN OR, WITH RESPECT TO PLANS WHICH ARE
13 IN EFFECT ON MAY 9, 1959, WITHIN 60 DAYS THEREAFTER, OR WITHIN 30 DAYS
14 BEFORE THEY ARE REOPENED IF THEY ARE CLOSED ON MAY 9, 1959];

15 * Sec. 2. AS 45.55.260(c) is amended to read:

16 (c) For the purpose of this section, an offer to sell or to buy
17 is made in this state, whether or not either party is then present in
18 this state, when the offer

19 (1) originates from this state; [OR]

20 (2) is directed by the offeror to this state and received at
21 the place to which it is directed, or at a post office in this state
22 in the case of a mailed offer;

23 (3) is for an interest or participation in an oil, gas, or
24 mining right, title, or lease on land in the state, including sub-
25 merged land, regardless of where the offer is made;

26 (4) is for an interest or participation in payments out of
27 production under an oil, gas, or mining right, title or lease on land
28 in the state, including submerged land, regardless of where the offer
29 is made; or

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(5) is for an interest or participation in real property located in the state, or in a domestic corporation or a domestic limited partnership; jurisdiction under this paragraph may be exercised only when the exercise is not inconsistent with the constitution of this state or of the United States.

Original sponsor: Rules/Governor

1 IN THE HOUSE

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Original sponsor: Rules/Governor

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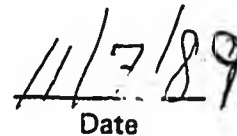
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RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

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Box 919
Palmer, Alaska 99645

February 3, 1986

Senator Patrick Rodey
Chairman, Senate Judiciary Committee
Alaska State Legislature
Pouch V (MS3100)
Juneau, Alaska 99811

Dear Senator Rodey:

After some time of careful consideration in regard to CSHB 141, I wish to follow my initial contact and communication with the remarks that follow.

At the present time, we are faced with a burgeoning prison population which will continue to grow. We continually look for ways of dealing with this problem. We extend further financial help and look at requests for further funding. Yet, as often happens, we may have some of the answers close to us, maybe already in effect.

There already is a system of "Good Time" that has been a part of the Department of Corrections to be used as a tool of management. During the First Session of the 14th Legislature, the Governor sponsored HB 104, "An Act relating to computation, forfeiture and restoration of statutory good time; and providing for an effective date." The bill as initially proposed would have been retroactive to the beginning date of each person's sentence. This caused concern to some and an amendment was added by Representative Pettyjohn and Representative Gruenberg.

After due consideration, this amended bill, CSHB 104 (Jud), was passed. It was hoped that this amendment would take away objections to the bill.

In fact, the amendment may have presented very serious problems which will no doubt, if passed in its present form, will cause this to be an immediate entry on the court dockets. More than that, it may well interfere with the very purpose of the intent of "Good Time".

"Good Time" is considered as a management tool by correctional personnel. It is one of the few effective tools available to them at no cost to the taxpayer. It allows them to offer to the prisoner an incentive for good behavior. This also allows the person an earlier release and thereby saving additional tax dollars at little risk to the public. There is little doubt that it should be continued and even extended.

However, a close reading of the amendment takes from correctional administrators and personnel a good degree of this desired

control by placing the final decision in the hands of the Board of Parole. Even HB 141, the most recent legislation regarding the Board of Parole does not indicate that this is the intent or the purpose of the Board of Parole. This bill effectively, that is the amendment to the bill, gives a share of this tool to the Board of Parole. It thereby, effectively destroys the full impact of this tool for correctional personnel.

Further, there is a serious legal question involved. The bill in no way indicates the process by which such "Good Time" will be withheld by the Board of Parole. In this State, parole is both discretionary and mandatory. "Good Time" does not fall in that category since it is mandatory by the wording of the statute. It is a right given by law and therefore is a "liberty interest" protected by the 14th Amendment of the U.S. Constitution.

In Wolff v. McDonnell, 418 U.S., 94 S. Ct. 2963 (1974), a benchmark was set in regard to procedural due process regarding good time.

"But the State having created the right to good time and itself recognizing that its deprivation is a sanction authorized for major misconduct, the prisoner's interest has real substance and is sufficiently embraced within Fourteenth Amendment "liberty" to entitle him to those minimum procedures appropriate under the circumstances and required by the Due Process Clause to insure that the state-created right is not arbitrarily abrogated....

We think a person's liberty is equally protected, even when the liberty itself is a statutory creation of the State. The touchstone of due process is protection of the individual against arbitrary action of government."

"Good Time" has been established as a right in this State. It follows that it is subject to any "Due Process Procedure" before there can be any interruption in its applicability. Many additional cases can be noted which indicate fault with the latter part of the amendment. A few to be noted which deal with "Due Process" would be Kozlowski v. Coughlin, 539 F. Supp. 852, 855 (S.D.N.Y. 1982), district court found a liberty interest based on State judicial decisions and prison regulations.

Gaballah v. Johnson, 629 F.2d 1191 (7th Cir. 1980) describes and defines the two elements needed in "due process". Keenan v. Bennett, 613 F. 2d 127 (5th Cir. 1980) and Johnson v. Hardy, 601 F. 2d 172 (5th Cir. 1979) both indicate that this could be and is a Federal question dealing with "due process". In our own State, Pash v. Endell, U.S. A84-189, the Federal Court will rule on such "procedural due process" violations.

The bill as originally written was a good and needed bill. It was the intent of the bill to overcome much of the confusion that is presently found in computing "Good Time" within three different systems. It could still be a good bill.

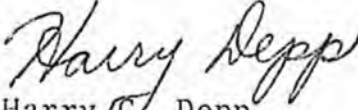
We could accept the amendment without any danger if all the wording followingeffective date of this Act... were eliminated.

The present wording iseffective date of this Act, unless the Board of Parole determines that, with reasonable probability the prisoner will not live and remain at liberty without violating any laws. Cf. attached copy of amendment.

If these underlined words were omitted and a period placed after ACT, the bill would meet the questions of retroactive opponents and fulfill the intent of the "Good Time" concept.

I would urge passage of this bill if these changes were made to correct its present form. At a low price, it will give the Department much needed bed space with little or no danger to the protection of the public.

Sincerely,


Harry C. Depp

Offered: 3/22/85
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 104 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to computation, forfeiture and
7 restoration of statutory good time; and providing for
8 an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 33.20.010 is repealed and reenacted to read:

11 Sec. 33.20.010. COMPUTATION OF GOOD TIME. Notwithstanding
12 AS 12.55.125(f)(3) and 12.55.125(g)(3), a prisoner convicted of an
13 offense against the state or a political subdivision of the state and
14 sentenced to a term of imprisonment that exceeds three days is
15 entitled to a deduction of one-third of the term of imprisonment
16 rounded off to the nearest day if the prisoner follows the rules of
17 the correctional facility in which the prisoner is confined.

18 * Sec. 2. AS 33.20.050 is amended to read:

19 Sec. 33.20.050. FORFEITURE FOR OFFENSE. If during the term of
20 imprisonment a prisoner commits an offense or violates the rules of
21 the correctional facility [INSTITUTION], all or [ANY] part of the
22 prisoner's [EARNED] good time may be forfeited under regulations
23 adopted by the commissioner of corrections. The amount of good time
24 forfeited shall be related to the severity of the offense or rule
25 violation.

26 * Sec. 3. AS 33.20.060 is repealed and reenacted to read:

27 Sec. 33.20.060. RESTORATION OF FORFEITED GOOD TIME. The
28 commissioner of corrections may restore all or a portion of a
29 prisoner's forfeited good time, under regulations adopted by the

1 commissioner, if the prisoner demonstrates progress in faithfully
2 observing the rules of the correctional facility in which the prisoner
3 is confined. The amount of forfeited good time restored by the
4 commissioner shall be related to the severity of the offense or rule
5 violation committed by the prisoner and the length of time of good
6 conduct that followed the offense or rule violation.

7 * Sec. 4. Section 1 of this Act takes effect immediately in accordance
8 with AS 01.10.070(c).

9 * Sec. 5. Sections 2 and 3 of this Act take effect January 1, 1986.

AMENDMENT # 1

OFFERED IN THE HOUSE:

By: Grusenberg & Pettyjohn

To: Committee Substitute for HOUSE BILL No. 104 (Judiciary)

SENATE BILL No. _____

PAGE: 1

LINE: 11

1. Line 11 - After "," and before "notwithstanding" add "(a) Except as provided in (b) of this section and"

2. After line 17 add a new (b) to read:

(b) A prisoner sentenced to a term of imprisonment of more than one year before the effective date of this Act who was entitled to a deduction of less than one-third of the term of imprisonment is entitled to a deduction of one-third of the portion of the term of imprisonment remaining to be served as of the effective date of this Act, unless the Board of Parole determines that, with reasonable probability, the prisoner will not live and remain at liberty without violating any laws.

MSG 85-00000706 PRY 1 04/22/85 12:57:33 ORIG: LJE7 IN= 0001 OUT= 0001
FROM: JUNEAU LIO TO: ALL SITES
TARGET: LMH0 SUBJ: ACTION

TO: ALL SITES

DATE: APRIL 22, 1985 ROLL CALL: 37 PRESENT

MESSAGES FROM THE GOVERNOR - NONE

MESSAGES FROM THE SENATE:

S PASSED CS HB 14 - AK TERRITORIAL GUARD BURIAL ALLOWANCE - TO GOV

COMMUNICATIONS - NONE

~~REPORTS OF STANDING COMMITTEES:~~

L&C: CSSB 53 TITLE AM - RELEASE OF UNEMPLOYMENT INSUR RECORDS - TO JUD

L&C: HR 8 - SISTER-STATE RELATN W/ TAIWAN - NO MORE RFRLS

RES: HJR 14 - NAVIGABILITY OF LAKES & RIVERS - REC CS(TRANS) - NO MORE RFRLS

JUD: HB 31 - OBSTRUCTING OR HINDERING HUNTING, FISHING - ADD OFN - TO RES

FIN: HB 147 - DIVISION OF EEO - REC CS(FIN), NEW TITLE, ADD FN - NO MORE RFRLS

HESS: HB 191 - STATE AID FOR SCHOOL CONSTRUCTN - REC CS(HESS), ADD FN - TO FIN

JUD: HB 218 - LEGISLATIVE ETHICS - REC CS(JUD) - ADD FIN RFRL

FIN: HB 231 - GEN ASSISTANCE FOR NEEDY PERSONS - ADD FN - NO MORE RFRLS

JUD: HB 240 - PASSING STOPPED SCHOOL BUS PROHIBITED - REC CS(JUD), NEW TITLE -
NO MORE RFRLS

SA: HB 252 - PERS: CONTRIB/RETIRMT AGE/BENEFITS - REC CS(SA), ADD FN - TO FIN

REPORTS OF SPECIAL COMMITTEES - NONE

INTRODUCTION OF RESOLUTIONS - NONE

INTRODUCTION, FIRST READING AND REFERENCE OF BILLS:

SSHB 11 BY DAVIS - MUNICIPAL TAXATION OF AGRICULTURAL LAND - TO C&RA, RES, FIN

HB 393 BY JUD - RIGHTS OF PHYSICALLY AND MENTALLY DISABLED - TO JUD, FIN

CONSIDERATION OF DAILY CALENDAR:

HB 104 - COMPUTATION, FORFEITURE & RESTORATION OF GOOD TIME

CS(JUD) ADOPTED U/C

AM 1 BY GRUENBERG, PETTYJOHN ADOPTED U/C

MOVED TO 3RD READING

PASSED 22Y - 16 N (VJS: COTTEN, DAVIS, FRANK, GRUENBERG, HANLEY, JENKINS,
MARTIN, M W MILLER, PEARCE, PETTYJOHN, PIGNALBERI, RIEGER, RINGSTAD,
SCHULTZ, SZYMANSKI, UEHLING)

EFF. DATE PASS 33Y - 5 N

REP. UEHLING GAVE NOTICE OF RECONSIDERATION

AT PRESENT THE HOUSE IS DISCUSSING THE SECOND BILL ON THE CALENDAR. PEGGY WILL
TAKE OVER FOR ME IN LISTENING TO THE ACTION AND WILL SEND YOU THE REMAINDER OF
THE HOUSE ACTION, PERHAPS IN INSTALLMENTS IF THE SESSION STRETCHES OUT.

ALL OTHER MATTERS UP FOR FINAL ACTION:

UNFINISHED BUSINESS:

ADJOURNMENT:

Edwards
5/3/85

Original sponsor: Rules/Governor

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IN THE HOUSE

BY THE JUDICIARY COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 141 (Judiciary)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the parole of offenders; amending the sunset date for the parole board; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 12.55 is amended by adding a new section to read:

Sec. 12.55.115. FIXING ELIGIBILITY FOR DISCRETIONARY PAROLE AT SENTENCING. The court may, as part of a sentence of imprisonment, further restrict the eligibility of a prisoner for discretionary parole for a term greater than that required under AS 33.16.090 and 33.16.100.

* Sec. 2. AS 33 is amended by adding a new chapter to read:

CHAPTER 16. PAROLE ADMINISTRATION.

Sec. 33.16.010. PAROLE. (a) A prisoner who is serving a term or terms of at least 181 days is eligible for either discretionary or mandatory parole.

(b) A prisoner who is eligible under AS 33.16.090 may be granted discretionary parole by the board of parole.

(c) A prisoner who is not eligible for discretionary parole, or who is not released on discretionary parole, shall be released on mandatory parole for the term of good time deductions credited under AS 33.20, if the term or terms of imprisonment exceed 180 days.

(d) A prisoner released on discretionary or mandatory parole is subject to the conditions of parole imposed under AS 33.16.150. Parole may be revoked under AS 33.16.220.

Rodey
Attn: Roger Lewis

Original sponsor: Rules/Governor

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(d) A prisoner released on discretionary or mandatory parole is subject to the conditions of parole imposed under AS 33.16.150. Parole may be revoked under AS 33.16.220.

1 Sec. 33.16.020. BOARD OF PAROLE. (a) There is in the Depart-
2 ment of Corrections a board of parole consisting of five members ap-
3 pointed by the governor, subject to confirmation by a majority of
4 members of the legislature in joint session.

5 (b) Members of the board serve for staggered terms of five years
6 and until their successors are appointed.

7 (c) The governor shall choose the presiding officer of the board
8 from among the membership.

9 (d) The governor shall make appointments to the board with due
10 regard for representation on the board of the ethnic, racial, sexual,
11 and cultural populations of the state.

12 (e) The governor shall appoint at least one member who resides
13 in the First Judicial District, one member who resides in the Third
14 Judicial District, and one member who resides in either the Second or
15 Fourth Judicial District.

16 Sec. 33.16.030. SELECTION CRITERIA FOR BOARD MEMBERS. (a) The
17 governor shall appoint board members on the basis of their qualifi-
18 cations to make decisions that are compatible with the welfare of the
19 community and of individual offenders. The governor shall appoint
20 members who are able to consider the character and background of
21 offenders and the circumstances under which offenses were committed.

22 (b) At least one person appointed to the board must have ex-
23 perience in the field of criminal justice.

24 (c) Officers or employees of the state may not be appointed to
25 the board.

26 Sec. 33.16.040. COMPENSATION AND EXPENSES. A board member is
27 entitled to compensation at an amount to be set by the governor for
28 each day the member is participating in business of the board, and is
29 also entitled to the per diem and travel allowances provided under

1 AS 39.20.180.

2 Sec. 33.16.050. MEETINGS OF THE BOARD. (a) The board may meet
3 as often as it considers necessary to carry out its responsibilities,
4 but shall meet at least four times a year.

5 (b) Three members of the board constitute a quorum for the
6 conduct of business.

7 (c) Decisions and orders of the board require the affirmative
8 votes of a majority of the members present.

9 (d) The board may conduct meetings by the use of teleconferenc-
10 ing facilities.

11 Sec. 33.16.060. DUTIES OF THE BOARD. (a) The board shall

12 (1) serve as the parole authority for the state;

13 (2) upon receipt of an application, consider the suitability
14 for parole of a prisoner who is eligible for discretionary parole;

15 (3) impose parole conditions on all prisoners released
16 under discretionary or mandatory parole;

17 (4) under AS 33.16.210, discharge a person from parole when
18 custody is no longer required;

19 (5) maintain records of the meetings and proceedings of the
20 board;

21 (6) recommend to the governor and the legislature changes
22 in the law administered by the board;

23 (7) recommend to the governor or the commissioner changes
24 in the practices of the department and of other departments of the
25 executive branch necessary to facilitate the purposes and practices of
26 parole;

27 (8) upon request of the governor, review and recommend
28 applicants for executive clemency; and

29 (9) execute other responsibilities prescribed by law.

1 (b) The board shall adopt regulations under the Administrative
2 Procedure Act (AS 44.62)

3 (1) establishing standards under which the suitability of a
4 prisoner for discretionary parole shall be determined;

5 (2) providing for the supervision of parolees and for
6 recommitment of parolees; and

7 (3) governing procedures of the board.

8 Sec. 33.16.070. PROCESS. The board or a member of the board may
9 issue subpoenas and subpoenas duces tecum in the performance of board
10 duties under AS 33.16.060(a). Subpoenas issued under this section are
11 enforceable in Superior Court.

12 Sec. 33.16.080. EXECUTIVE DIRECTOR. The board shall hire an
13 executive director to serve the board in the discharge of its duties.
14 The executive director must have had training and experience in the
15 field of criminal justice. The executive director may employ addi-
16 tional staff to assist the board.

17 Sec. 33.16.090. ELIGIBILITY FOR DISCRETIONARY PAROLE. (a) A
18 prisoner who is serving a term of at least 181 days, and who is not
19 otherwise ineligible under (b) of this section, may, in the discretion
20 of the board, be released on discretionary parole subject to AS 12.-
21 55.086(b), 12.55.115, and AS 33.16.100(c) and (d).

22 (b) A prisoner is not eligible for discretionary parole during
23 the term of a presumptive sentence; however, a prisoner is eligible
24 for discretionary parole during a term of sentence enhancement imposed
25 under AS 12.55.155(a) or during the term of a consecutive or partially
26 consecutive presumptive sentence imposed under AS 12.55.025(e) or (g).

27 (c) A prisoner eligible for discretionary parole during a period
28 of sentence enhancement imposed under AS 12.55.155(a) or during a
29 consecutive or partially consecutive presumptive sentence imposed

1 under AS 12.55.025(e) or (g) shall serve the unenhanced portion of the
2 sentence or the initial presumptive sentence before being otherwise
3 eligible for discretionary parole under AS 33.16.100(c) or (d). For
4 purposes of this subsection, the sentence for the most serious offense
5 in the case of consecutive or partially consecutive presumptive sen-
6 tences shall be considered the initial presumptive sentence. The
7 unenhanced sentence or the initial presumptive sentence is considered
8 served for purposes of discretionary parole on the date the unenhanced
9 or initial presumptive sentence is due to expire less good time earned
10 under AS 33.20.010.

11 (d) In determining the eligibility of a prisoner for discretion-
12 ary parole, the board may rely on the verbatim written transcript of
13 the judge's sentencing remarks under AS 12.55.025(a)(1), and any other
14 portion of the sentencing proceeding, as well as the judgment entered
15 by the court.

16 Sec. 33.16.100. GRANTING OF DISCRETIONARY PAROLE. (a) The
17 board may authorize the release of a prisoner on discretionary parole
18 if it determines a reasonable probability exists that

19 (1) the prisoner will live and remain at liberty without
20 violating any laws or conditions imposed by the board;

21 (2) the prisoner's rehabilitation and reintegration into
22 society will be furthered by release on parole;

23 (3) the prisoner will not pose a threat of harm to the
24 public if released on parole; and

25 (4) release of the prisoner on parole would not diminish
26 the seriousness of the crime.

27 (b) If the board finds a change in circumstances in a prisoner's
28 parole release plan submitted under AS 33.16.130(a), or discovers new
29 information concerning a prisoner who has been granted a parole

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release date, the board may rescind or revise the previously granted parole release date. In reconsidering the release date, the procedures set out in AS 33.16.130(b) and (c) shall be followed.

(c) Except as provided in (d) of this section, a prisoner may not be released on discretionary parole until the prisoner has served at least one-fourth of the period of confinement imposed, one-fourth of an enhanced period of confinement imposed under AS 12.55.155(a), or any minimum term set under AS 12.55.115 at sentencing, whichever is greater.

(d) A prisoner who is sentenced for a term under AS 12.55.125(a) or (b) may not be released on discretionary parole until the prisoner has served the mandatory minimum term under AS 12.55.125(a) or (b), at least one-third of the period of confinement imposed, or any minimum term set under AS 12.55.115 at sentencing, whichever is greater.

Sec. 33.16.110. PREPAROLE REPORT. (a) In determining whether a prisoner is suitable for discretionary parole, the board shall consider the preparole reports including,

- (1) the presentence report made to the sentencing court;
- (2) the recommendations made by the sentencing court, by the prosecuting attorney, and by the defense attorney, and any statements made by the victim or the prisoner at sentencing;
- (3) the prisoner's institutional conduct history while incarcerated;
- (4) recommendations made by the staff of the correctional facilities in which the prisoner was incarcerated;
- (5) reports of prior crimes, juvenile histories, and previous experiences of the prisoner on parole or probation;
- (6) physical, mental, and psychiatric examinations of the prisoner;

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2 (7) information submitted by the prisoner, the sentencing
3 court, the victim of the crime, the prosecutor, or other persons
4 having knowledge of the prisoner or the crime;

5 (8) information concerning an unjustified disparity in the
6 sentence imposed on a prisoner in relation to other sentences imposed
7 under similar circumstances; and

8 (9) other relevant information that may be reasonably
9 available.

10 (b) The board shall provide information available under (a)(3)
11 and (a)(6) of this section when requesting comments on the discre-
12 tionary parole of a prisoner from the sentencing court.

13 Sec. 33.16.120. RIGHT OF VICTIM TO COMMENT ON PAROLE OF PRISON-
14 ER: (a) Upon request of the victim, notice of a hearing to review or
15 consider discretionary parole for a state prisoner who is convicted of
16 a crime against a person shall be sent to the victim of the crime at
17 least 30 days before the scheduled hearing.

18 (b) It is the responsibility of the victim to keep the board
19 apprised of the victim's most current mailing address. The board
20 shall send the notice required under (a) of this section to the last
21 known address of the victim. The address of the victim may not be
22 disclosed to the prisoner or the prisoner's attorney.

23 (c) The victim has a right to comment in writing on the proposed
24 action of the board. Copies of the comments shall be provided to the
25 prisoner and the prisoner's attorney before action by the board.

26 (d) The board shall consider the comments presented under (c) of
27 this section in deciding whether to release the prisoner on parole.

28 (e) Upon request of the victim, if the board decides to release
29 on parole a prisoner who is convicted of a crime against a person, the
board shall make every reasonable effort to notify the victim before

1 the prisoner's release date. Notification under this subsection must
2 include the expected date of the prisoner's release, the geographic
3 area in which the prisoner is required to reside, and other pertinent
4 information concerning the prisoner's conditions of parole that may
5 affect the victim.

6 (f) Upon request of the victim, if a prisoner is released under
7 AS 33.16.010(c), the board shall make every reasonable effort to
8 notify the victim before the prisoner's release date. Notification
9 under this subsection must include the expected date of the prisoner's
10 release, the geographic area in which the prisoner is required to
11 reside, and other pertinent information concerning the prisoner's
12 conditions of parole that may affect the victim.

13 - Sec. 33.16.130. APPLICATION FOR DISCRETIONARY PAROLE. (a) A
14 prisoner eligible for discretionary parole may apply to the board for
15 discretionary parole. As part of the application for parole, the
16 prisoner shall submit to the board a parole release plan that includes
17 the prisoner's plan for employment, residence, and other information
18 concerning the prisoner's rehabilitative plans if released on parole.

19 (b) Before the board determines a prisoner's suitability for
20 discretionary parole, the prisoner is entitled to a hearing before the
21 board. The prisoner shall be furnished a copy of the preparole re-
22 ports listed in AS 33.16.110, and permitted access to all records that
23 will be considered by the board in making its decision except those
24 that are made confidential by law. The prisoner may also respond in
25 writing to all materials considered by the board, be present at the
26 hearing, and present evidence to the board.

27 (c) The board shall issue its decision in writing and provide
28 the basis for a denial of discretionary parole. A copy of the deci-
29 sion shall be provided to the prisoner.

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2 Sec. 33.16.140. ORDER FOR PAROLE. An order for parole issued by
3 the board, setting out the conditions imposed under AS 33.16.150(a)
4 and AS 33.16.150(b), and the date parole custody ends, shall be fur-
5 nished to each prisoner released on discretionary or mandatory parole.

6 Sec. 33.16.150. CONDITIONS OF PAROLE. (a) As a condition of
7 parole, a prisoner released on discretionary or mandatory parole shall
8 refrain from conduct punishable by imprisonment under state or federal
9 law or municipal ordinance.

10 (b) The board may require as a condition of discretionary or
11 mandatory parole that a prisoner released on parole

- 12 (1) meet family obligations;
- 13 (2) pursue employment, education, counseling, or training;
- 14 (3) remain within stated geographic limits unless written
15 permission to depart from the stated limits is granted the parolee;
- 16 (4) report upon release to the parole officer assigned to
17 the parolee;
- 18 (5) report as required to the parole officer assigned to
19 the parolee;
- 20 (6) reside at a stated place and notify the board of any
21 change in place of residence;
- 22 (7) not possess or control firearms or other dangerous
23 weapons;
- 24 (8) refrain from possessing or consuming alcoholic bever-
25 ages;
- 26 (9) submit to reasonable searches and seizures by a parole
27 officer, or a peace officer acting under the direction of a parole
28 officer;
- 29 (10) submit to appropriate medical, mental health, or con-
trolled substance or alcohol examination, treatment, or counseling;

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2 (11) submit to periodic examinations designed to detect the
3 use of alcohol or controlled substances;

4 (12) make restitution ordered by the court to a victim of
5 the prisoner's crime, according to a schedule established by the
6 board;

7 (13) refrain from opening, maintaining, or using a checking
8 account or charge account;

9 (14) refrain from entering into a contract other than a
10 prenuptial contract or a marriage contract;

11 (15) refrain from operating a motor vehicle;

12 (16) refrain from entering an establishment where alcoholic
13 beverages are served, sold, or otherwise dispensed;

14 (17) refrain from participating in any other activity or
15 associating with any other person that the board determines is rea-
16 sonably likely to diminish the rehabilitative goals of parole, or that
17 may endanger the public.

18 (c) Except for a condition imposed under (b)(4), (7), (9), (11)
19 or (12) of this section, the board may generally delegate imposition
20 of special conditions under (b) of this section to the discretion of
21 the parole officer.

22 (d) The board may require a prisoner released on parole to
23 comply with special conditions imposed under (b) of this section for
24 any period up to the maximum term under which the prisoner is subject
25 to the custody and jurisdiction of the board.

26 Sec. 33.16.160. CHANGE IN PAROLE CONDITIONS. (a) Upon appli-
27 cation of the state or the parolee, the board may change a condition
28 of parole previously imposed under AS 33.16.150(b).

29 (b) If the proposed change in conditions of parole is more
restrictive of a parolee's liberty, the parolee is entitled to notice

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2 of the proposed change, the reasons for the proposed change, a hearing
3 before the board, and an opportunity to respond to the proposed change
4 and to present evidence.

5 (c) Notwithstanding (a) and (b) of this section, when a parole
6 officer determines that an emergency situation requires an immediate
7 change in a condition of parole, or the imposition of a new condition,
8 the parole officer may impose the change or new condition immediately,
9 without a hearing. The parole officer shall immediately notify the
10 board of the imposition of the emergency change or new condition and
11 shall provide a written report setting out the basis for the change or
12 new condition and the nature of the emergency. The effective period
13 of a change in condition or imposition of a new condition under this
14 subsection may not exceed 15 working days.

15 (d) A condition of parole may be changed, a new condition of
16 parole may be imposed, or a new or changed condition imposed under (c)
17 of this section may be extended by a member of the board or the
18 board's designee if, after a preliminary hearing, an emergency situa-
19 tion is found that requires a change in condition. The effective
20 period of a change in condition under this subsection, the imposition
21 of a new condition under this subsection, or the extension under this
22 subsection of a new or changed condition imposed under (c) of this
23 section may not exceed 90 days.

24 Sec. 33.16.170. CONFIDENTIALITY OF RECORDS AND INFORMATION. (a)
25 Except as provided in (b) of this section, the preparole reports
26 listed in AS 33.16.110, and other information obtained and used by the
27 board under this chapter, are confidential and may not be disclosed to
28 anyone other than the board, the sentencing judge, the prosecuting and
29 defense attorneys, the prisoner, the prisoner's attorney, the attorney
for the board, the staff of the board, or others granted access to

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2 this information under this chapter.

3 (b) Notwithstanding (a) of this section and AS 33.16.130(b), in
4 a parole proceeding under AS 33.16.130 the board may not disclose
5 to the prisoner or the prisoner's attorney

6 (1) diagnostic opinions that, if made known to the eligible
7 prisoner, could lead to serious disruption of the prisoner's institu-
8 tional program;

9 (2) portions of a document that reveal sources of informa-
10 tion obtained upon a promise of confidentiality; or

11 (3) other information that, if disclosed, may result in
12 physical harm to any other person.

13 (c) When the board withholds information from a prisoner or the
14 prisoner's attorney under (b) of this section, the board shall provide
15 the prisoner with an excised copy of the material or summary of the
16 material withheld containing as much specificity as the circumstances
17 allow.

18 Sec. 33.16.180. DUTIES OF THE COMMISSIONER. The commissioner
19 shall

20 (1) conduct investigations of prisoners eligible for discre-
21 tionary parole, as requested by the board;

22 (2) supervise the conduct of parolees;

23 (3) appoint and assign parole officers and personnel;

24 (4) provide the board, within 30 days after sentencing,
25 information on a sentenced prisoner who may be eligible for discre-
26 tionary parole under AS 33.16.090;

27 (5) notify the board and provide information on a prisoner
28 120 days before the prisoner's mandatory release date, if the prisoner
29 is to be released to mandatory parole; and

(6) maintain records, files, and accounts as requested by

1
2 the board.

3 Sec. 33.16.190. PAROLE AND PROBATION OFFICERS. An officer ap-
4 pointed by the commissioner under AS 33.05.020(a) or under AS 33.16.-
5 180, may discharge duties under AS 33.05 or AS 33.16.

6 Sec. 33.16.200. CUSTODY OF PAROLEE. Except as provided in
7 AS 33.16.210, the board retains custody of discretionary and mandatory
8 parolees until the expiration of the maximum term or terms of impris-
9 onment to which the parolee is sentenced.

10 Sec. 33.16.210. DISCHARGE OF PAROLEE. The board may uncondi-
11 tionally discharge a parolee from the jurisdiction and custody of the
12 board after the parolee has completed two years of parole, if the
13 sentence of the parolee does not include a residual period of pro-
14 bation. A parolee with a residual period of probation may, after two
15 years of parole, be discharged by the board to immediately begin
16 serving the residual period of probation.

17 Sec. 33.16.220. REVOCATION OF PAROLE. (a) The board may revoke
18 parole for conduct in violation of AS 33.16.150(a) or (b).

19 (b) Except as provided in (e) of this section, within 15 working
20 days after the arrest and incarceration of a parolee for violation of
21 a condition of parole, the board or its designee shall hold a prelimi-
22 nary hearing. At the preliminary hearing, the board or its designee
23 shall determine if there is probable cause to believe that the parolee
24 violated the conditions of parole and, when probable cause exists,
25 whether the parolee should be released pending a final revocation
26 hearing. A finding of probable cause at a preliminary hearing in a
27 criminal case is conclusive proof of probable cause that a parole
28 violation occurred.

29 (c) In determining whether a parole violator should be released
pending a final revocation hearing, the board or its designee shall

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2 consider

3 (1) the likelihood of the parolee's appearance at a final
4 revocation hearing;

5 (2) the seriousness of the alleged violation;

6 (3) whether the parolee presents a danger to the community;
7 and

8 (4) whether the parolee is likely to further violate con-
9 ditions of parole.

10 (d) If the parole violator is released pending a final revoca-
11 tion hearing, the board or its designee may impose additional con-
12 ditions necessary to ensure the parolee's appearance at the final
13 revocation hearing, and to prevent further violation of conditions of
14 parole.

15 (e) A preliminary hearing under (b) of this section is not re-
16 quired if the board holds a final revocation hearing within 20 working
17 days after the parolee's arrest and incarceration.

18 (f) The board shall hold a final revocation hearing no later
19 than 120 days after a parolee's arrest, subject to restrictions aris-
20 ing under AS 33.10.010 and (g) of this section.

21 (g) When the basis for the revocation proceeding is a criminal
22 charge, the parolee may request, or the board upon its own motion may
23 propose that further proceedings on the revocation be delayed. In
24 making the determination to delay further proceedings, the board shall
25 consider prejudice that may result to the parolee's and the state's
26 interests in the pending criminal case and the parolee's decision to
27 delay final revocation proceedings. If good cause to proceed is
28 found, the board shall consult with the attorney general before con-
29 tinuing the final revocation proceeding.

(h) At a final revocation hearing, a violation of a condition of

1 parole must be established by a preponderance of the evidence.

2 (i) If, after the final revocation hearing, the board finds that
3 the parolee has violated a condition of parole imposed under AS 33.-
4 16.150(b), or a law or ordinance, the board may revoke all or a por-
5 tion of the parole, or change any condition of parole.

6 Sec. 33.16.230. WAIVER OF HEARING. A prisoner or parolee may
7 waive the right to a hearing provided under AS 33.16.120, 33.16.160,
8 or 33.16.220 by submitting a written waiver to the board.

9 Sec. 33.16.240. ARREST OF A PAROLE VIOLATOR. (a) A parolee may
10 be arrested, with or without a warrant, for a violation of parole.

11 (b) A warrant for the arrest of a parolee who is charged with a
12 violation of parole may be issued by the board, or a member of the
13 board, based on probable cause that a violation has occurred.

14 (c) A parole officer may, without a warrant, arrest a parolee
15 for a violation of parole only if there is danger to the public, if
16 there is a likelihood that the parolee will flee, or if the parolee
17 committed a crime in the presence of the parole officer.

18 (d) If a parolee is arrested without a warrant, the parole
19 officer shall notify the board no later than the working day immedi-
20 ately following the arrest. The parole officer shall, within five
21 working days after the arrest, provide the board with a written report
22 setting out the alleged violation and circumstances that required
23 immediate arrest of the parolee.

24 (e) A parolee arrested for violation of parole is not entitled
25 to bail.

26 (f) Time spent in custody pending revocation proceedings shall
27 be credited toward the unexpired term of imprisonment of the parolee;
28 however, the time the parolee was at liberty on parole does not alter
29 the time the parolee was sentenced to serve.

1 Sec. 33.16.250. EXECUTION OF WARRANT FOR ARREST OF PAROLEE. (a)
2 A parole officer, or a peace officer acting at the request of a parole
3 officer, shall execute a warrant issued under AS 33.16.240 by ar-
4 resting the parolee and confining the parolee in a correctional facil-
5 ity designated by the commissioner.
6

7 (b) The parole officer or peace officer shall immediately notify
8 the board or a member of the board of an arrest under (a) of this
9 section.

10 Sec. 33.16.260. DEFINITIONS. In this chapter

11 (1) "board" means the board of parole;

12 (2) "commissioner" means the commissioner of corrections;

13 (3) "controlled substance" means a drug, substance, or
14 immediate precursor included in the schedules set out in AS 11.71.-
15 140 - 11.71.190;

16 (4) "crime against a person" has the meaning given in
17 AS 33.30.900;

18 (5) "department" means the Department of Corrections;

19 (6) "discretionary parole" means the release of a prisoner
20 by the board before the expiration of a term, subject to conditions
21 imposed by the board and subject to its custody and jurisdiction;

22 (7) "mandatory parole" means the release of a prisoner who
23 was sentenced to one or more terms of imprisonment exceeding 180 days,
24 for the period of good time credited under AS 33.20, subject to con-
25 ditions imposed by the board and subject to its custody and jurisdic-
26 tion;

27 (8) "parolee" means a prisoner, sentenced to one or more
28 terms of imprisonment exceeding 180 days, released by the board or by
29 operation of law before the expiration of the term, subject to the
custody and jurisdiction of the board;

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2 (9) "prisoner" means an offender confined for a violation
3 of state law, but does not include a person confined under AS 47;

4 (10) "victim" has the meaning given in AS 12.55.185.

5 * Sec. 3. AS 33.20.040(a) is repealed and reenacted to read:

6 Sec. 33.20.040. RELEASED PRISONER. (a) A prisoner released
7 under AS 33.20.030 shall be released on mandatory parole to the
8 custody and jurisdiction of the parole board under AS 33.16, until the
9 expiration of the maximum term to which the prisoner was sentenced, if
10 the term or terms of imprisonment exceeded 180 days. However, a
11 prisoner released on mandatory parole may be discharged under AS 33.-
12 16.210 before the expiration of the term. A prisoner who was sen-
13 tenced to an imprisonment of 180 days or less shall be unconditionally
14 discharged, except as provided in (c) of this section.

15 * Sec. 4. AS 33 20.040 is amended by adding a new subsection to read:

16 (c) If a prisoner's sentence includes a residual period of
17 probation, a prisoner released under AS 33.20.030 shall immediate
18 begin serving the residual probationary period, except that if manda-
19 tory parole is required under (a) of this section, serving the proba-
20 tionary period shall immediately follow discharge from parole.

21 * Sec. 5. AS 39.50.200(b)(20) is amended to read:

22 (20) [STATE] Board of Parole (AS 33.16.020 [AS 33.15.010]);

23 * Sec. 6. AS 44.66.010(a)(3) is amended to read:

24 (3) [STATE] Board of Parole (AS 33.16.020 [AS 33.15.010])

25 -- June 30, 1989 [1985];

26 * Sec. 7. AS 33.15 is repealed.

27 * Sec. 8. Current members of the board of parole appointed under
28 AS 33.15.010, repealed in sec. 7 of this Act, retain their membership on
29 the board of parole under AS 33.16.020. To accomplish the purpose of
AS 33.16.020, the governor shall designate one member whose term expires on

1 January 1, 1987; one member whose term expires on January 1, 1988; one
2 member whose term expires on January 1, 1989; one member whose term expires
3 on January 1, 1990; and one member whose term expires on January 1, 1991.

4 * Sec. 9. APPLICABILITY. AS 33.16.090(b), enacted in sec. 2 of this
5 Act, shall be applied prospectively, except that prisoners sentenced before
6 the effective date of this Act are eligible for discretionary parole during
7 a term of sentence enhancement imposed under AS 12.55.155(a) or during the
8 term of a consecutive or partially consecutive presumptive sentence imposed
9 under AS 12.55.025(e) or (g) if the sentencing court orders discretionary
10 parole eligibility for that period.

11 * Sec. 10. This Act takes effect January 1, 1986.
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p. 1, line 14, between "under" and "AS" add:

"AS 33.16.090 and"

p. 5, line 21, after "imposed," add

one-fourth of an enhanced period of confinement imposed under AS
12.55.155(a),

1 Page 4, line 26 renumber existing "(c)" to "(d)" and add:

2 (c) A prisoner eligible for discretionary parole during a period
3 of sentence enhancement imposed under AS 12.55.155(a) or during the
4 subsequent term of a consecutive or partially consecutive presumptive
5 sentence imposed under AS 12.55.025(e) or (g) must serve the unen-
6 hanced portion of the term or the initial presumptive term before
7 being otherwise eligible for discretionary parole under AS 33.16.-
8 100(c) or (d). For purposes of this subsection, the most serious
9 offense in the case of consecutive or partially consecutive presump-
10 tive sentences, will be considered the initial presumptive term. The
11 unenhanced term or the initial presumptive term is considered served
12 for purposes of discretionary parole on the date the unenhanced or
13 initial presumptive sentence is due to expire [excluding any/less]
14 good time earned under AS 33.20.010.

PAROLE ELIGIBILITY

	DISCRETIONARY PAROLE ELIGIBILITY	MANDATORY PAROLE ELIGIBILITY
<p><u>Offense</u></p> <p>A felonies Repeat B & C felonies Sexual Assault 1° Sexual Abuse of Minor 1°</p> <p>1st Offenders B&C Felonies misdemeanants with over 180 days</p> <p>Murder 1 & 2, Kidnapping, Misconduct involving a controlled substance 1°</p> <p>Aggravated A felonies, repeat B & C offenders Sexual Assault 1° Sexual Abuse of Minor 1°</p> <p>Consecutive A felonies repeat B & C felonies Sexual Assault 1° Sexual Abuse of Minor 1°</p>	<p>not eligible AS 33.16.090 (b)</p> <p>eligible after 1/4 of term AS 33.16.100 (c)</p> <p>eligible after 1/3 of term or mandatory minimum whichever is greater AS 33.16.100 (d)</p> <p>not eligible during initial pre- sumptive term, but eligible after 1/4 of aggravated portion of sentence AS 33.16.090 (b) AS 33.16.100 (c)</p> <p>not eligible during initial pre- sumptive term, but eligible after 1/4 of subsequent term.</p>	<p>If offender is sentenced to serve mor than 180 days, then upon release from incarceration offender is on mandator parole for period of good time earned in prison.</p> <p>If offender is sentenced to serve les than 181 days, then upon release offe der is unconditionally discharged.</p> <p align="center">AS 33.20.040 (a)</p>

* Sentencing Judge may further restrict discretionary parole eligibility.
AS 12.55.115

Class A Felonies

Manslaughter	43
Assault 1°	51
Robbery 1°	101
Arson 1°	2
Escape 1°	3
Miscconduct Involving Controlled Substance 2°	7

Class B Felonies

	<u>Nonpresumptive</u>	<u>Presumptive</u>
Assault 2°	23	12
Sexual Assault 2°	20	2
Sexual Abuse of Minor 2°	*	*
Unlawful Exploitation of Minor	3	0
Robbery 2°	13	5
Theft 1°	6	0
Burglary 1°	34	32
Arson 2°	5	0
Forgery 1°	2	2
Bribery	1	0
Escape 2°	5	13
Misconduct Involving Controlled Substance 3°	25	9

Class C Felonies

Criminally Negligent Homicide	5	0
Assault 3°	20	9
Sexual Abuse of Minor 3°	*	*
Incest	4	0
Coercion	1	0
Theft 2°	20	18
Burglary 2°	26	25
Criminal Mischief 2°	2	2
Forgery 2°	4	6
Escape 3°	1	0
Misconduct involving weapon 1°	2	5
Misconduct Involving Controlled Substance 4°	4	1

* Sexual Abuse of Minor in 2° and 3° was a combined statistic with:

nonpresumptive

presumptive

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** Nonpresumptive offenders may be parole eligible, but statistics do not reflect further restrictions on parole eligibility which may have been imposed by sentencing court under AS 33.15.230.

PAROLE ELIGIBILITY

	DISCRETIONARY PAROLE ELIGIBILITY	MANDATORY PAROLE ELIGIBILITY
<p><u>Offense</u></p> <p>A felonies Repeat B & C felonies Sexual Assault 1° Sexual Abuse of Minor 1°</p> <p>1st Offenders B&C Felonies misdemeanants with over 180 days</p> <p>Murder 1 & 2, Kidnapping, Misconduct involving a controlled substance 1°</p> <p>Aggravated A felonies, repeat B & C offenders Sexual Assault 1° Sexual Abuse of Minor 1°</p> <p>Consecutive A felonies repeat B & C felonies Sexual Assault 1° Sexual Abuse of Minor 1°</p>	<p>not eligible AS 33.16.090 (b)</p> <p>eligible after 1/4 of term AS 33.16.100 (c)</p> <p>eligible after 1/3 of term or mandatory minimum whichever is greater AS 33.16.100 (d)</p> <p>not eligible during initial pre- sumptive term, but eligible after 1/4 of aggravated portion of sentence AS 33.16.090 (b) AS 33.16.100 (c)</p> <p>not eligible during initial pre- sumptive term, but eligible after 1/4 of subsequent term.</p>	<p>If offender is sentenced to serve mor than 180 days, then upon release from incarceration offender is on mandator parole for period of good time earned in prison.</p> <p>If offender is sentenced to serve les than 181 days, then upon release offe der is unconditionally discharged.</p> <p align="center">AS 33.20.040 (a)</p>

* Sentencing Judge may further restrict discretionary parole eligibility.
AS 12.55.115