



## Example of CFAB Financing that would be possible as a result of the passage of SB68.

CFAB has received a request to finance the expansion of B4UDie Lodge that is located outside Dillingham in Western Alaska.

The lodge is owned by the ABC Corporation. ABC Corporation is an Alaska Corporation whose ownership is comprised as follows:

John Smith	15%	Residence	Los Angeles, CA
Susan Smith	15%	Residence	Los Angeles, CA
John Doe	15%	Residence	Seattle, WA
Mary Doe	15%	Residence	Seattle, WA
William Jones	15%	Residence	Anchorage, AK
Jane Jones	15%	Residence	Anchorage, AK
Jim Johnson	10%	Residence	Soldotna, AK

The ABC Corporation wants to borrow \$300,000 to expand their lodge by building 4 new cabins; the lodge is located in the Tik Chik region. The lodge has operated in this area for 20 years. They employ 30 Alaskans during the months of May through Sept. From October to April they have two Alaskans employed as caretakers.

The ABC Corporation owns and pays property taxes on the lodge valued at \$2,000,000 as well as 5 airplanes valued at \$500,000. In addition they pay AK Corporate Income taxes.

Jim Johnson is the manager of the B4UDie Lodge, the remaining six owners are silent partners/investors and are not involved in the day to day operations of the lodge.

Given that the majority ownership (60%) of the Corporation is owned by non-residents under its current statute, CFAB would not be able to provide financing to the ABC Corporation even though the sole operation of the Corporation is in Alaska and the role of the non-resident owners is strictly as an investment in the Corporation bringing non-resident investment to Alaska and enhancing the economic development of the region.

Passage of SB68 allowing CFAB to finance non-resident owned Tourism and Resource Based businesses whose facilities are located in Alaska would allow CFAB to finance requests such as the example shown above and increasing the financing options to increase economic opportunities for Alaskans