



CALISTA CORPORATION
www.calistacorp.com

March 23, 2023

Dear Members of the 33rd Alaska State Legislature:

Calista Corporation (“Calista”) is the Alaska Native Regional Corporation for the Yukon-Kuskokwim Delta region of Alaska. Calista supports the passage of House Bill (“HB”) 123, introduced by Rep. Craig Johnson.

Under current Alaska law, Alaska Native Corporations (“ANCs”) must achieve a 2/3 majority of all outstanding shares to enact an amendment to their articles of incorporation, unless certain narrow exceptions apply. By contrast, Alaska corporations formed after July 1, 1989 only require a 50% + 1 majority of the outstanding shares to approve an articles amendment. The 2/3 majority requirement effectively constitutes an insurmountable hurdle to ANCs considering an articles amendment because they can rarely meet this threshold due to gradually declining quorum counts and exponentially increasing numbers of shares and shareholders.

The current law punishes ANCs like Calista who have opened their shareholder rolls to all generations of Alaska Natives and increased the size of their shareholder community. Since opening its rolls in 2017, Calista’s numbers increased from its original 13,000 shareholders to more than 36,100 – and growing. For the 2022 annual meeting, the total eligible voting shares were 2,605,177.6137. This means that to achieve a 2/3 majority, Calista would need 1,736,785.07 shares voting to approve an amendment.

HB 123 would end this unfair, two-tier system and place ANCs on a level playing field with Alaska corporations formed after July 1, 1989. Under HB 123, ANCs could amend their articles according to the standards applicable to Alaska corporations formed after July 1, 1989, under AS 10.06.504(a). This subsection allows for an articles amendment so long as it is approved by a 50% + 1 majority of the outstanding (voting) shares.

Passage of HB 123 is crucial for ANCs which are currently revisiting or considering a modernization of their articles 50 years after the passage of ANCSA.

Thank you for all your work on behalf of Alaska and for consideration of this short but important piece of legislation for the future of ANCs.

Respectfully,

CALISTA CORPORATION

Andrew Guy
President/CEO

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Our Culture Unites us; Our Land Sustains us; Our People are Prosperous

March 27, 2023

Dear Members of the 33rd Alaska State Legislature:

Ahtna, Incorporated (“Ahtna”) is the Alaska Native Regional Corporation for the Copper River Valley region of Alaska. Ahtna supports the passage of House Bill (“HB”) 123, introduced by Rep. Craig Johnson.

Under current Alaska law, Alaska Native Corporations (“ANCs”) must receive the approval of 2/3 of all outstanding shares to enact an amendment to their articles of incorporation, with certain narrow exceptions. However, Alaska corporations formed after July 1, 1989 require approval by only a majority of the outstanding shares to enact an articles amendment. The 2/3 approval requirement effectively constitutes an insurmountable hurdle to ANCs considering an articles amendment due to declining shareholder participation; ANCs rarely achieve a 2/3 quorum at shareholder meetings.

HB 123 would end this unfair, two-tier system and place ANCs on a level playing field with Alaska corporations formed after July 1, 1989. Under HB 123, ANCs could amend their articles according to the standards in AS 10.06.504(a), which allows Alaska corporations formed after July 1, 1989 to amend their articles upon approval by a majority of the outstanding shares.

Passage of HB 123 is crucial for ANCs which are pursuing modernization of their articles 50 years after the passage of ANCSA.

Thank you for all your work on behalf of Alaska and your consideration of this important legislation for the future of ANCs.

Sincerely,

A handwritten signature in blue ink that reads "Michelle Anderson". The signature is fluid and cursive.

Michelle Anderson, President
Ahtna, Incorporated



ANCSA REGIONAL
ASSOCIATION

March 28, 2023

Issued electronically

Dear Members of the 33rd Alaska State Legislature:

On behalf of the ANCSA Regional Association (ARA), I would like to express our support for the passage of House Bill 123, introduced by Representative Craig Johnson.

As you know, ARA represents the twelve Alaska Native regional corporations created by Congress under the Alaska Native Claims Settlement Act (ANCSA) in 1971. Together, these organizations are tasked with providing for their more than 160,000 Alaska Native shareholders socially, culturally, and economically.

Under current Alaska law, Alaska Native corporations (ANCs) must reach a two-thirds majority of all outstanding shares to enact an amendment to their articles of incorporation, unless certain exceptions apply. However, Alaska corporations formed after July 1, 1989 only require a fifty percent plus one majority of the outstanding shares to approve an articles amendment. The two-thirds majority requirement is an outdated rule that disadvantages ANCs and their shareholders.

The two-thirds majority requirement is a constant hurdle ANCs face when considering these amendments due to gradually declining quorum counts. Quorum counts rarely meet this high threshold, and because of this, ANCs are deprived of opportunities to evolve and advance compared to newer Alaska corporations.

HB 123 would end this unfair, antiquated system and instead place ANCs on a level playing field with Alaska corporations formed after July 1, 1989. Under HB 123, ANCs could amend their articles according to the fifty percent plus one majority standard applicable to Alaska corporations formed after July 1, 1989, under AS 10.06.504(a).

After celebrating 50 years of ANCSA, several ANCs are currently revisiting or considering modernizing their articles of incorporation. Passage of HB 123 is critical and timely.

Thank you for your work on behalf of Alaska and consideration of this legislation. Together we can continue to advocate for a better and more prosperous future for our Alaska Native shareholders and all Alaskans.

Quyanaa,

A handwritten signature in black ink that reads "Kim Reitmeier". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Kim Reitmeier, President
ANCSA Regional Association



March 28, 2023

33rd Alaska State Legislature
State Capitol
120 4th Street
Juneau, AK 99801

Dear Members of the 33rd Alaska State Legislature:

Cook Inlet Region, Inc. (CIRI) is the Alaska Native Regional Corporation for the Cook Inlet region of Alaska. CIRI supports the passage of House Bill (HB) 123, introduced by Rep. Craig Johnson.

Under current Alaska law, Alaska Native Corporations (ANCs) must achieve a 2/3 majority of all outstanding shares to enact an amendment to their articles of incorporation, unless certain narrow exceptions apply. By contrast, Alaska corporations formed after July 1, 1989, only require a 50% + 1 majority of the outstanding shares to approve an articles amendment. The 2/3 majority requirement effectively constitutes an insurmountable hurdle to ANCs considering an articles amendment due to gradually declining quorum counts, which rarely meet this threshold.

HB 123 would end this unfair, two-tier system and place ANCs on a level playing field with Alaska corporations formed after July 1, 1989. Under HB 123, ANCs could amend their articles according to the standards applicable to Alaska corporations formed after July 1, 1989, under AS 10.06.504(a). This subsection allows for an articles amendment so long as it is approved by a 50% + 1 majority of the outstanding (voting) shares.

Passage of HB 123 is crucial for ANCs which are currently revisiting or considering a modernization of their articles 50 years after the passage of the Alaska Native Claims Settlement Act.

Thank you for all your work on behalf of Alaska and for consideration of this short but important piece of legislation for the future of ANCs.

Sincerely,

Cook Inlet Region, Inc.

Sarah Lukin
Chief Strategy Officer



St. Mary's Native Corporation

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March 28, 2023

Dear Members of the 33rd Alaska State Legislature:

St. Mary's Native Corporation (SMNC) is an Alaska Native village corporation located in the City of St. Mary's. SMNC supports the passage of House Bill ("HB") 123, introduced by Rep. Craig Johnson.

Under current Alaska law, Alaska Native Corporations ("ANCs") must achieve a 2/3 majority of all outstanding shares to enact an amendment to their articles of incorporation, unless certain narrow exceptions apply. By contrast, Alaska corporations formed after July 1, 1989 only require a 50% + 1 majority of the outstanding shares to approve an articles amendment. The 2/3 majority requirement effectively constitutes an insurmountable hurdle to ANCs considering an articles amendment due to gradually declining quorum counts, which rarely meet this threshold.

HB 123 would end this unfair, two-tier system and place ANCs on a level playing field with Alaska corporations formed after July 1, 1989. Under HB 123, ANCs could amend their articles according to the standards applicable to Alaska corporations formed after July 1, 1989, under AS 10.06.504(a). This subsection allows for an articles amendment so long as it is approved by a 50% + 1 majority of the outstanding (voting) shares.

Passage of HB 123 is crucial for ANCs which are currently revisiting or considering a modernization of their articles 50 years after the passage of ANCSA.

Thank you for all your work on behalf of Alaska and for consideration of this short but important piece of legislation for the future of ANCs.

Sincerely,

A handwritten signature in blue ink that reads "Susan L. Taylor". The signature is fluid and cursive, with the first name being the most prominent.

Susan L. Taylor
Chief Executive Officer
St. Mary's Native Corporation



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March 28, 2023

RE: House Bill 123

Dear Members of the 33rd Alaska State Legislature:

Thank you for your consideration of House Bill (HB) 123, introduced by Rep. Craig Johnson. The Aleut Corporation (TAC) supports the passage of HB 123.

Alaska Statute 10.06.504(d) includes carryover language from Alaska corporate law enacted prior to the Alaska Native Claims Settlement Act (ANCSA) that effectively handicaps Alaska Native Corporations (ANCs) from making amendments to their articles of incorporation. Under section 504(d), ANCs can only amend their articles with the affirmative vote of at least two-thirds of the outstanding voting shares, unless certain narrow exceptions apply.

TAC, like other ANCs, typically only receives shareholder meeting turnouts in the high 50% to low 60% range of the total outstanding voting shares. As the years go on and shares become distributed across larger numbers of individual descendants of original shareholders, quorum counts are expected to continue to decrease. ANCSA and Alaska law already recognize this phenomenon by providing reduced voting thresholds for ANCSA corporations for certain specified matters.

For example, reduced voting thresholds apply to the creation of a Settlement Trust, amendments to the articles to issue new shares of Settlement Common Stock to descendants of original shareholders (*see* 43 U.S.C. 1629b), and amendments to the articles to provide for classification of seats on the Board of Directors (*see* AS 10.06.960(o)). There is no general catch-all allowing ANCs to amend their articles for matters outside these narrow one-off exceptions under a practically achievable voting standard.

Notably, the two-thirds of voting shares threshold to amend articles of incorporation does not apply to corporations formed after July 1, 1989. Thus, AS 10.06.504 sets up a discriminatory, two-tier regime under which ANCs (which were formed after the passage of ANCSA in 1971) are subjected to a practically impossible two-thirds threshold, whereas other corporations are not.

Based on our review of other states' corporations codes, TAC believes the current law is antiquated and leaves TAC and other ANCs at a disadvantage compared with other corporations. We support the passage of HB 123 in recognition of the unique issues facing ANCs over 50 years after the passage of ANCSA.

Thank you for your time and consideration on this important piece of legislation and the work you do for the people of Alaska.

Very truly yours,

THE ALEUT CORPORATION

DocuSigned by:
Skoey Vergen
175C49266AE448C...

By: **Skoey Vergen**
President and CEO



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