HB

501

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM February 17, 1994

SUBJECT: Sectional summary of HB 501 (Work Order No. 8-LS1694\A)

TO: Representative Bill Williams
Attn: Laura

FROM: Theresa L. Bannister
Legislative Counsel

You have requested a sectional summary of the above described bill. As a preliminary matter, note that a sectional summary should not be considered an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1. Establishes certain procedures and conditions for the shareholders of a Native corporation to petition or otherwise demand to bring a matter to the shareholders for a vote.

Sec. 10.06.959(a) states that when the shareholders are entitled to petition or otherwise demand to bring a matter to the shareholders for a vote, the procedure for obtaining the approval of the requisite number of shareholders to present the petition must comply with this section.

Sec. 10.06.959(b) requires the sponsor of the petition to apply to the corporation's secretary for the petition form. Indicates what information the application must contain.

Sec. 10.06.959(c) directs the secretary to issue the petition form if it meets the requirements in (b).

Sec. 10.06.959(d) identifies what the petition form issued by the secretary must contain.

Sec. 10.06.959(e) allows a petition with the requisite number of signatures to be filed with the secretary within a certain time period.

Sec. 10.06.959(f) establishes certain requirements for the validity of the petition.

Sec. 10.06.959(g) directs that the petition form be filed with the secretary within the required time period, if any, required before the next shareholder meeting.

Sec. 10.06.959(h) requires the secretary to verify the validity of the signatures within 10 days after the executed petition is submitted to the secretary. Requires the secretary to notify the contact person about the invalid signatures, if there is an insufficient number of valid signatures.

Sec. 10.06.959(i) provides guidelines for determining whether a signature is valid.

Sec. 10.06.959(j) authorizes supplementation of the petition with additional signatures if there is an insufficient number of valid signatures and under certain conditions.

Sec. 10.06.959(k) directs the secretary to reject a petition that does not contain the required number of valid signatures. Directs the secretary to verify any supplementary signatures within a certain time and to notify the contact person.

Sec. 10.06.959(l) authorizes the petition sponsors to file a protest with the commissioner of commerce and economic development within seven days after receiving a notice that the petition was rejected. Directs the commissioner to hold a hearing and decide the protest. Directs the subject matter of the petition to be considered either at the next shareholders' meeting or at a special shareholders' meeting, depending on certain circumstances, if the commissioner upholds the protest.

Sec. 10.06.959(m) prohibits an undertaking to secure signatures for another petition on the same subject matter within a year after filing an application for a petition and failing to present the necessary signatures to the corporation within a certain time.

Sec. 10.06.959(n) directs the corporation to place the subject matter of the petition on the agenda of the next succeeding annual shareholder meeting, or to call a special shareholder meeting, if the petition is verified or if the commissioner sustains a protest. Authorizes the sponsors to call the meeting or the superior court on petition to order the corporation to hold the meeting if the corporation fails or refuses to call the meeting, and, unless the superior court orders otherwise, directs the corporation to conduct the meeting.

Sec. 10.06.959(o) prohibits a person from undertaking to secure signatures for a petition for consideration of the same subject matter at a shareholder meeting until after the second annual meeting following the meeting where the subject matter is rejected, if the subject matter is rejected at the meeting and if the proponents do not receive a certain vote.

Sec. 10.06.959(p) states that a petition is a proxy solicitation under AS 45.55.139(b) and that every document or statement distributed to shareholders with the intention of influencing the shareholder's vote on the matter is a proxy solicitation and must be filed with the secretary of the corporation and with the commissioner.

Sec. 10.06.959(q) requires a petition sponsor to disclose to the secretary and the commissioner changes in the information under (d) of this section within five business days of the change. Also requires a sponsor to disclose the receipt of a contribution over a certain amount of money, goods, and services from a single source.

Sec. 10.06.959(r) prohibits a petition sponsor from knowingly misrepresenting the number of signatures obtained. States that a knowing misrepresentation is an untrue statement of material fact under the Alaska Securities Act.

Sec. 10.06.959(s) states that this section doesn't limit the ability of a corporation to require that a petition be filed within a specified minimum period of time, not exceeding 90 days, before the date of the meeting where it will be considered.

Sec. 10.06.959(t) defines certain terms for the section.

Section 2. Adds six new provisions relating to the operation of Native corporations.

Subsec. (j) prohibits a bylaw that is properly adopted or amended by the corporation's shareholders from being adopted or amended without shareholder approval.

Subsec. (k) authorizes the board to adopt a bylaw that specifies or changes a fixed number of directors or the maximum or minimum number of directors, or that changes the board from a fixed to a variable board or from a variable to a fixed board, if the corporation was organized before July 1, 1989 (the effective date of the revised corporations code, AS 10.06).

Subsec. (l) establishes certain conditions for a corporation to hold a special meeting of shareholders.

Subsec. (m) establishes under what conditions shareholders may demand the removal of a director without reason.

Subsec. (n) authorizes the superior court to remove a director from office under AS 10.06.463 if the director fails to meet the qualifications for being a director. Authorizes the court to bar the removed director from reelection for a period set by the court.

Subsec. (o) establishes who can call a regular or special meeting of the board, or of a special committee of the board.

Section 3. Authorizes the superior court to order a Native corporation to hold a meeting, if certain conditions are met. Authorizes the court to fix the time, place, and certain other matters necessary to accomplish the purpose of the meeting.

Section 4. Amends a section of the Alaska Securities Act to make it compatible with sec. 5 of the bill.

Section 5. Establishes when materials relating to proxy solicitations for a Native corporation are required to be filed with the administrator (the commissioner of commerce and economic development) concurrently with the distribution to shareholders. Requires a filing to be supplemented when the filing contents change materially.

Section 6. Gives the bill an immediate effect date.

If I may be of further assistance, please advise.

TLB:gc
94-133.glc

HB 501

SECTION-BY-SECTION ANALYSIS By AFN

Section 1. The Corporations Code permits shareholders to petition or demand that their corporation take a number of actions, such as holding a special meeting or placing a question on the agenda at an annual meeting of shareholders. This legislation establishes a procedure for Native corporation shareholders to exercise that important right. The current statutes offer no guidance to shareholders or corporations in a situation that inspires a petition or demand upon the corporation. Further, a shareholder who sponsors such a petition or demand may circulate it indefinitely; there is now no requirement that sponsors submit the petition or demand once it begins circulating. This circumstance carries tremendous potential for abuse. Under current law, one shareholder may keep an issue alive endlessly, preventing the Native corporation from moving on to perform its functions fully as a for-profit corporation with a duty to all shareholders.

This provision adheres closely to the municipal recall procedure set out at AS 29.26.260. Like that process, it contemplates that petition sponsors will apply for a petition form to the corporate secretary, the corporate equivalent of a city clerk. The secretary, like the city clerk, will compute the number of shares that must be represented by signatures on the petition. The process limits circulation of petitions and demands to 60 days, and requires sponsors to bring the signatures to the corporation once they have been collected. If the sponsors cannot collect enough signatures during the 60 days allowed even to put an issue on the ballot, they cannot bring up the issue again for another year. Likewise, if a petition or demand has resulted in a shareholder vote, that issue may not be presented again until after the second annual meeting following the meeting where the issue is voted upon. Again, these reasonable limitations are analogous to those codified at AS 29.26 et seq. for municipal official recall elections. A sponsor whose petition has been rejected by a corporation may appeal to the Administrator of Securities.

Section 1 defines a shareholder petition or demand as the start of proxy solicitation, triggering all filing and accuracy requirements under State law. This change codifies the relevant case law, which has long defined proxy solicitation as "'a continuous plan' intended to end in solicitation and to prepare the way for success." Studebaker Corp. v. Gittlin, 360 F.2d 692, 696 (2nd Cir. 1966). See also Conagra, Inc. v. Tyson Foods, Inc., 708 F. Supp. 257, 268 (D. Neb. 1989). The State Division of Banking, Securities and Corporations now employs this definition of proxy solicitation. This bill would merely codify and clarify the definition and the parties' obligations.

Finally, Section 1 requires that Native corporation shareholder sponsors of petitions and demands disclose a few items of basic information to the Division of Banking, Securities and Corporations when they start soliciting signatures. This change in the

AFN

disclosure requirement would simply inform shareholders of the names, addresses, and sources of funding of those who solicit their support. Further, it contemplates that sponsors will report contributions of money, goods, or services that exceed $500 in the aggregate from any single source. This requirement is similar to statutorily prescribed candidates' reports to the Alaska Public Offices Commission, found at AS 15.13 et seq.

Section 2. This section would give a special status to bylaws properly amended or adopted by Native corporation shareholders. Particularly in a corporation with many shareholders, placing a bylaw change before the shareholders for a vote can be time-consuming and costly. Without this amendment, the board is free to undo in its next meeting whatever shareholders have done to the bylaws, with the exception of bylaws changing the number of board members (see AS 10.06.230(c)).

In addition, this section permits Native corporations to change the size of their boards by a vote of the board rather than by approval of the outstanding shares. This change makes State law consistent with federal law, and in fact this was State law at the time the Alaska Native Claims Settlement Act was enacted. ANCSA has always left the size of the board up to the corporation (see 43 U.S.C. 1606(f)): "The number, terms, and method of election of members of the board of directors shall be fixed in the articles of incorporation or bylaws of the Regional Corporation"). The quoted ANCSA provision preempts any more restrictive Corporations Code requirement, and therefore the choice of method to fix the number of directors is left up to the corporation, in this case through the bylaws. This amendment simply puts to rest any question that ANCSA corporations may adjust their board size.

In addition to federal preemption, there are good reasons to exempt Native corporations from the Corporations Code's requirement of shareholder approval to change board size. It is so difficult for large Native corporations to obtain the approval of the holders of more than half of all shares that their boards would be effectively frozen in size if they were not exempted from the quoted provisions of the new Code. In the years after they started out, ANCSA corporations typically had large, representative boards; later, as they settled into their roles and found cost-cutting to be necessary, many of them moved to smaller boards. The Code requirements, if applicable, would virtually prohibit this simple money-saving measure, and in any case present a potential conflict between State and federal law on this point.

There need be no concern that exempting ANCSA corporations in this instance would make minority directors vulnerable to ouster through their colleagues' vote to reduce the board. Alaska Statute 10.06.453(b)(2), which would be unchanged by this amendment, specifically notes that no reduction in the size of a board may shorten the term of any incumbent director. No provision of ANCSA is inconsistent with this rule, and therefore the State law would control.

AFN

Like the present shareholder petition law, the current statute gives little guidance or restriction to Native corporations and their shareholders in the event of an effort to remove a corporate director. The proposed amendment corrects this problem by again adapting the process used by municipalities when voters move to recall elected officials.

An example of the current removal statute's deficiency is that it permits any single shareholder to call for a vote on removal of one or more directors at any annual meeting. The only requirement is that the shareholder, in a corporation of more than 500 shareholders, provide notice of the removal attempt to shareholders @ and, if the removal proponent notifies the corporation within 75 days of the annual meeting, this notice must be delivered by the corporation.

The statute as now written confers upon each shareholder the power to force all other shareholders to vote on the shareholder's attempt at removal, no matter how slim the odds of success or how frivolous the reason. In a large Native corporation, any one of the thousands of shareholders could hold up the corporation's annual meeting in this way.

By contrast, when voters want to remove municipal officials from office, they must apply to the municipal clerk for a recall petition, supplying the names of at least ten sponsors and the grounds for recall. AS 29.26.260. Once the petition is prepared, it must be signed by a number of voters equal to at least 25 percent of the number who voted at the last regular election before the municipal clerk may call an election. AS 29.26.280. Just as the Legislature does not permit one voter to force a recall election, it should reconsider permitting any one shareholder to bring a removal vote.

The policy behind the municipal recall statutes is clear: The Legislature has balanced the municipalities' need to avoid the expense and general upheaval of a recall election, and to attract and keep qualified elected and appointed officials, against the constitutional right of the voters to reconsider their choice of officials. This policy, at least in part, should apply equally to large corporations. To place this argument in perspective: many of Alaska's municipalities have far fewer residents than the number of voting shareholders in many Alaska Native corporations.

The bill does not prevent or frustrate the shareholders' right to remove directors but instead simply requires the support of a quarter of those who voted in the last election of directors. The bill in no way alters the clear policy of permitting removal without cause, in contrast to the serious grounds required for municipal recall elections.

The current statute does not answer most of the questions it raises about the process for removing corporate directors. This bill proposes simple and clear steps for removal.

AFN

Finally, this section lends Native corporation an exception to AS 10.06.470(a), which permits a single director to call a meeting of a corporate board of directors. While a meeting called by a sole director might not be attended by others, it would put the corporation to the expense of time and money required to host a board meeting. The proposed amendment alleviates the cost of fruitless meetings as it protects minority board members by permitting one-quarter of the directors to call a meeting.

Section 3. This section adds a new provision, taken from the 1988 Revised Model Business Corporation Act (§ 7.03), which gives shareholders a clear legal remedy whenever a corporation fails or refuses to call an annual or special meeting.

This section also adds a new provision governing court removal of directors of Native corporations when the board or 10 percent of shareholders bring suit. The general statute for all corporations, AS 10.06.463, limits the grounds for court removal to cases of extreme misconduct. Oddly, the general statute does not provide for removal of a director who has ceased to meet the requirements for membership on the board of directors. As an example, Native corporation bylaws frequently require directors to be shareholders, or not to be directors of competing corporations. A director who transfers all of his or her stock or joins the board of a competing business no longer meets the minimum qualifications of directorship; however, under current law, the director could be removed by a court only if some outrageous act has accompanied the failure to qualify.

The proposed new provision would leave in place all of the current grounds for court removal, adding the failure to meet qualifications for directorship, as those qualifications may be established by bylaw. Directors' qualifications, like any bylaw provision, are subject to the limitations of statutory (AS 10.06.230) and case law; the latter requires that the qualifications be reasonable and not designed to limit minority representation on the board.

Sections 4 and 5. These sections amend AS 45.55.139, which defines those Native corporations that must submit annual reports, proxies, proxy statements, and other materials to the Administrator of Securities. Under current law, any corporation with fewer than 500 shareholders is exempt from all reporting requirements. This cutoff excepts corporations that have huge assets but relatively few shareholders. The bill would set a threshold of 500 shareholders or $5,000,000, covering any large corporation with at least 150 shareholders.

Section 6. This bill takes effect immediately.

AFN

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 501

Revision Date:
Title: An Act relating to Native Corporations; and providing for an effective date
Sponsor: Rep. Williams (by request)
Requestor:

Department Affected: Commerce and Economic Development
BRU: Banking, Securities & Corporations
Component:

COMPONENT SERIAL NO. 1233

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0	0	0
CHANGE IN REVENUES ( )	0	0	0	0	0	0
FUND SOURCE						
1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: $ 0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary.)

Director

Prepared by: L. P. Carroll, Sr. Securities Examiner
Division: Banking, Securities & Corporations
Phone: 465-5451
Date:

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development
Date: 4-13-94

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the Governor's Legislative Office

Rev 11/93
LPC/dg297fn.fc

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 14, 1994 FURTHER REFERRALS: Judiciary

Date of Committee Action: 4-18-94

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: HB 501

HOUSE BILL NO. 501 CORPORATION CODE & ANCSA CORPORATIONS

"An Act relating to Native corporations; and providing for an effective date."

RECOMMENDATIONS: [ ] the same title
be replaced with _____ [ ] a new title

[ ] have attached amendments(s)
[ ] do pass
[ ] do not pass
[ ] no recommendations
[X] individual recommendations
[ ] additional referral to the _____ Committee

ADOPTS: H - CRA letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal impact _____ [ ] fiscal note(s) _____

[X] zero fiscal note C + E D [ ] zero fiscal note(s) _____

SIGNING DO PASS	*DP*	*OTHER RECOMMENDATIONS*	*DNP*	*NR*	*AM*
		Sanders		✓	
		Davies			✓
W.K. Williams	✓	Wilkes			✓
		~~Kelly~~			
		Halley Olberg		✓	

Halley Olberg
CHAIRMAN'S SIGNATURE

HOUSE COMMUNITY AND REGIONAL AFFAIRS

DATE: 4/18/94

PLACE: Rm 124

SUBJECT OF MEETING:

CSSB 255

HB 501

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Vince Barbi	DOF				465-3589	(Y)	N	255
Maxine Richert	AFN/ Sealaska	One Sealaska Plaza, St 400 Jnu	99801		586-1512	(Y)	N	HB 501
Joe Williams	Goldbelt Shareholder	P.O. Box 315 54 Juneau, AK	99802		789-9897	(Y)	N	HB 501
Carl C. Nelson	Goldbelt Shareholder	P.O. Box 34203 Juneau, AK 99803		789-3140		(Y)	N	HB 501
Leslie Longenbaugh	AFN/Sealaska	One Sealaska Plaza, Suite 301, Juneau				Y	N	
Katherine S. Mitchell	Goldbelt Shareholder	525 W. Franklin St	99801	581-3947		(Y)	N	HB 501
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

Alaska State Legislature

Committees:

House Resources,
Chairman

Community &
Regional Affairs

Labor & Commerce

Representative William K. Williams

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

In Ketchikan:
352 Front Street
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-8546

4/11/94

SPONSOR STATEMENT FOR HOUSE BILL 501,
an Act relating to Native corporations

Alaska has hundreds of Native corporations, each with shareholders numbering from less than 100 to nearly 16,000. As the law now stands, when shareholders wish to remove directors netiher they nor the corporations have a clear map of the process. Each attempt can be brought by a single shareholder and can go on indefinitely, sapping the resources of these for-profit corporations, many of which are primary employers in their regions.

The situation is most comparable to that in municipal government, where elected officials can face recall elections. (In fact, the regional Native corporations have more shareholders than most Alaska municipalities have voters.) The Legislature, recognizing that limitless recall efforts could cripple the legitimate work of government and make it difficult to attract and keep qualified restrictions on these drives. This bill generally applies the municipal recall election procedures (AS 29.26.240 - AS 29.26.360) to Native corporations.

The Corporations Code now gives each shareholder the power to force all other shareholders to vote on removal, no matter how slim the odds of seccess or how frivolous the reason. Any one of what are sometimes thousands of shareholders could hold up a corporation's annual meeting in this way.

By contrast, when voters want to remove municipal officials from office, they apply to the municipal clerk for a recall petition, supplying the names of at least ten sponsors and the grounds for recall. Once the petition is prepared, it must be signed by a number of voters equal to at least 25% of the number who voted at the last regular election before the municipal clerk may call an election.

In addition to adapting the municipal recall procedure for corporations, the bill defines a removal petition as the start of proxy solicitation, triggering all filing and truthfulness requirements under State

law. This change, which codifies the relevant case law, is the definition already employed by the State Division of Banking, Securities and Corporations.

The Corporations Code does not answer most of the questions it raises about the process for removing corporate directors, and lacks an adequate definition of when proxy solicitation begins. House Bill 501 proposes simple and clear steps for removal and defines solicitation in the event of a removal election. The objective of HB 501 is to provide a road map for a fair elections process.

Alaska Federation of Natives, Inc.

March 31, 1994

Representative Bill Williams
Alaska State Legislature
State Capitol, Room 128
Juneau, Alaska 99801-1182

Dear Bill:

This is to express the sincere interest of the Alaska Federation of Natives in House Bill 501, which you introduced on February 14 of this year. The legislation results in part from Native corporations' experiences with shareholder matters not adequately addressed by the present Corporations Code. Before 1988 and 1989, when Alaska's new Corporations Code was enacted, Native interests worked with the Legislature to revamp the Code. Since that time, we have discovered shortcomings in the new Code and have worked to revise it. HB 501 is the result of that effort.

The bill was not drafted to favor or obstruct the interest of either management or shareholders. Rather, it tries to provide both shareholders and management with a clear procedural road map where virtually none has existed before. When shareholders currently wish to remove an elected director from office, they and their corporation must feel their way through the law, relying on the common law from other states and on the Division of Banking, Securities and Corporations, or even the courts, for guidance when they encounter large gaps in the Corporations Code. As a consequence, removal efforts drag on almost endlessly, and all parties incur enormous legal costs in simply making their way through the process.

The removal of directors of Native corporations is in many ways strikingly similar to recall elections in municipalities. Native corporations have many of the elements associated with municipal governments. Because the Alaska Native Claims Settlement Act prohibits Native corporation shareholders from selling their stock when they disagree with management, their recourse is to elect or remove directors. Similarly, few municipal residents are in a position to leave town over a dispute with city hall, so they also have the electoral and recall options.

If the Native corporations and their shareholders have been having problems with the removal process, and if municipalities have a statutory recall process that could be translated into effective use by Native corporations, common sense dictates that we examine this option. Thus, HB 501 reflects the municipal recall procedure, adapted, with little change, to Native corporations.

1577 "C" Street, Suite 100 □ Anchorage, Alaska 99501 □ Ph.(907) 274-3611 FAX(907)276-7989

The legislation first gives shareholders a forum to go to - the Department of Commerce and Economic Development, Division of Banking, Securities and Corporations - if the corporate secretary rejects their petition for removal. The Division holds a hearing to decide whether the corporation acted appropriately under the law in rejecting the petition. If the determination is in the petitioners' favor, the corporation must hold a shareholder meeting to vote on the removal. The Division already has jurisdiction over proxy disputes in Native corporations. By making the direct removal process clearer, this legislation ought to decrease, rather than increase, the Division's workload.

In addition to providing a step-by-step removal procedure, HB 501 defines the point at which proxy solicitation begins for the purposes of filing solicitations with the Division of Banking, Securities and Corporations. The Division already uses this definition, which states the common law by designating the process of petition gathering as proxy solicitation.

Finally, the bill changes the size of Native corporations that must file reports with the Division of Banking, Securities and Corporations. As the law now stands, a Native corporation with fewer than 300 shareholders in Alaska is exempt from filing its annual report and proxy materials with the Division, no matter how big the corporation's assets and income. This bill proposes to require such filings of any Native corporation with at least 150 Alaska resident shareholders, if that corporation has at least $5 million in assets. Small but economically powerful corporations would no longer be exempt from the filing standards with which all regional corporations must comply.

The Alaska Federation of Natives believes that the best interest of Native shareholders throughout Alaska requires statutory clarification of these procedures. We encourage a thorough public examination of them through hearings that will allow regional and village corporations an opportunity to respond. Accordingly, we have sent a copy of this letter and its attachments to Representative Harley Olberg, Chairman of the Committee on Community and Regional Affairs.

We enclose a Sponsor Statement for your use and appreciate your efforts on behalf of this bill. Please contact either of us or Robert Loescher, Executive Vice President of Sealaska Corporation, if you have questions.

Sincerely,

Julie E. Kitka, President
Alaska Federation of Natives

Roy Huhndorf, Chairman
AFN Legislative Committee

Letter of Intent

House Bill 501

" An Act relating to Native corporations; and providing for an effective date."

April 18, 1994

The House Community and Regional Affairs Committee considered House Bill 501 and recommends that the House Judiciary Committee allow for statewide teleconferencing before taking any action Please invite Mr. Larry Carroll, Senior Securities Examiner, Division of Banking, Securities and Corporations to attend any meeting on this bill.

_____

Representative Harley Olberg, Chairman