

HB

251

(File 2)

2/3/95 Juneau Empire

Right move at the right time

*These new laws - could turn
their progress to nothing*

Goldbelt changes election rules

Native corporations throughout Alaska are under the gun these days as unhappy shareholders strive to recall board members and divvy up corporate assets for bigger cash payouts.

Given the accusatory tone of the recall movements, it would be easy for corporate officials to try to cut off criticism.

That's why it is so encouraging to see the opposite response from Goldbelt Inc., Juneau's Native corporation.

Instead of withdrawing from critics of the corporation, board members recently voted to open up the process. They plan to even the election playing field by no longer endorsing a slate of management candidates or paying their campaign expenses.

Goldbelt also will do away with discretionary voting, which was heavily criticized by dissident shareholders. Under the old rules, shareholders who supported the status quo could check a "discretionary" box in corporate elections. Board members then would divide those votes among only management candidates.

Goldbelt management also no longer will use proxy workers - solicitors paid to gather shareholder votes. Allegations of forgery - of proxy workers tampering with ballots to favor management candidates - have arisen in the past.

Instead, Goldbelt simply will pay each shareholder \$25 for turning in a valid proxy. It's part of a continuing effort to convince people to vote.

The changes are set to take effect June 3, the date of the next scheduled board election. In the meantime, a new ethics code governing the behavior of board members and corporate officers already is in place.

Without doubt, the new rules will give those critical of Goldbelt management a fairer shot at winning seats on the board and influencing decision-making. That probably wasn't an easy choice for many of those currently in power.

But, in the end, it's that kind of thinking that can help Goldbelt face the future with strength. If the playing field is even, shareholders can spend less time challenging the election process and more time debating important corporate decisions.

And, with a broader representation of opinion on the board, perhaps some shareholders will be more willing to listen to Goldbelt leaders and less inclined to demand huge dividend payouts. Goldbelt, like all Native corporations, has only limited assets. By opting for more cash now, shareholders are guaranteeing just one thing: a very uncertain future.

Surely there is lots of discussion to come on that issue.

But by making its elections bylaws more fair - in essence, assuring more say for more people - Goldbelt has set the stage for reasoned debate between corporate managers and shareholders.

Ideally, that will mean less "us against them" sentiment and more "we're all in this together" cooperation.

Have You Been Lied To???

Ref: House Bill No. 251

I talked to a Representative from the Anchorage area March 24, 1995 and he told me that he was told that "Changing the percentage of voters required to call a special meeting was being changed from 10% to 25% in order to bring the Native Corporations in line with all the other Non-Native corporations in the state." **BULL!!!**

§ 10.06.390

ALASKA STATUTES

§ 10.06.405

Editor's notes. — Section 10.06.405, ch 166, SLA 1988, amended "10" after July 1, 1990.

Sec. 10.06.390. Capitalization of retained earnings. The paid-in capital of a corporation may be increased by resolution of the board directing that all or a part of the retained earnings of the corporation be transferred to the paid-in capital account. (S 1 ch 166 SLA 1988)

Article 9 Shareholders.

Section

- 405. Meetings of shareholders
- 406. Closing of transfer books and fixing record date
- 411. Notice of shareholders' meetings
- 413. Voting that liability
- 415. Quorum of shareholders
- 416. Proxies
- 420. Voting of shares
- 422. Corporation's acceptance of certain securities
- 423. Actions taken without meeting; written consent; revocation of consent

Section

- 424. Shareholder agreements
- 425. Voting trusts and agreements among shareholders
- 429. Shareholders' preemptive rights
- 430. Books and records
- 431. Annual report to shareholders; consent; financial statement on request
- 435. Shareholders' derivative action
- 438. Liability of shareholders and subscribers

Sec. 10.06.405. Meetings of shareholders. (a) Meetings of shareholders shall be held at a place inside or outside this state as provided in the bylaws. In the absence of a provision in the bylaws, meetings shall be held at the registered office of the corporation.

(b) An annual meeting of the shareholders shall be held at the time as provided in the bylaws. If the annual meeting is not held within any 12-month period, the superior court may on the application of a shareholder summarily order a meeting to be held.

(c) Special meetings of the shareholders may be called by the board, the chairman of the board, the president, the holders of not less than one-tenth of all the shares entitled to vote at the meeting, or other persons as may be authorized in the articles of incorporation or the bylaws.

(d) The failure of a corporation to hold an annual meeting at the time stated in or fixed under its bylaws does not cause the corporation to forfeit its status, does not cause a dissolution of the corporation, and does not affect the validity of corporate action. (S 1 ch 166 SLA 1988; am S 17 ch 82 SLA 1989)

Effect of amendments. — The 1989 amendments, effective July 1, 1989, amend subsection (d).

Collateral references. — 18A, Art. 24, Corporations, § 348 et seq.

15 C.J.S., Corporations, § 253 et seq.

Power of directors to change time for stockholders' meetings. 2 ALR 50, 3 ALR 678.

Informality of meeting of stockholders as affecting action taken thereat. 51 ALR 941.

Remedies to restrain or compel holding of stockholders' meetings. 41 ALR 618.

This provision in the bill was designed to make it nearly impossible for dissatisfied Native shareholders to call a special meeting in order to correct a problem or situation which they would like addressed.

Please note to the left a copy of the Alaska Statutes governing all non-Native corporations and shareholders. Sec. 10.06.405 Paragraph C. 10% required to call a special meeting.

if this bill passes then it is discriminatory. Why should Native shareholders abide by a 25% ruling while Non-Native shareholders only have to abide by a 10% ruling?

At this time, Native Corporations are not under any governmental oversight, either Federal SEC or state oversight, with the exception of proxy solicitation by the State. Maybe it's time the State require ALL Native Corporations to fall under State jurisdiction.

Sincerely,

John P. Watson

8220 Spruce St.
Anch. AK 99507

Knowles doesn't like bill on Native board recalls

BRIEFL

By DIRK MILLER

THE JUNEAU EMPIRE

The Knowles administration says it will work to eliminate or modify a House bill's requirement that shareholders show cause when trying to recall Native corporation board members.

The provision is supported by several Native corporations, which are looking to the state for help in avoiding what they call frivolous and expensive recall efforts by dissident shareholders.

The House passed the bill Wednesday, 26-14, moving it to the Senate.

Pat Pourchot, Gov. Tony Knowles' legislative lobbyist, said the requirement making it harder for shareholder recall drives has caused some consternation in the governor's office.

"I think we continue to have serious concerns on the for-cause provision, particularly if the only recourse is to take it to court," Pourchot said.

He said the governor's office would work to get the cause requirement modified or eliminated in the Senate.

In a letter to sponsor Carl Moses, an Unalaska Democrat in the House majority, Sealaska Corp. chief executive officer Leo Barlow restated the Southeast Alaska regional corporation's support for the measure.

"Of importance is the addition into law of establishing within the recall petition process the requirement of stating the 'cause' for recall," Barlow wrote in the Tuesday letter.

Anchorage-based Cook Inlet Region Inc. also supports the bill.

Critics say the cause requirement means a shareholder would have to go to court to establish a cause before a recall could begin.

"They can't afford to go to court and pay their court fees," Rep. Beverly Masek, R-Willow, said during House debate Tuesday night. Masek failed in her attempt to remove the requirement from the bill.

Pat Pourchot, Knowles' legislative lobbyist, says some provisions of the measure have caused consternation in the governor's office.

The stricter standard is not imposed on any other corporation in the state.

Supporters of the provision say if Native corporation shareholders want to remove people from boards without a reason, they could do so at regular elections. Otherwise, to allow recalls without reason affects the stability of the corporations, said Rep. Bill Williams, a Saxman Democrat.

Williams told lawmakers of a recall experience at Cape Fox Native Corp. in Ketchikan when he was on the board. When the recall surfaced, financing for a project the corporation was involved in became difficult, even though the recall failed.

"We lost the project," Williams said.

Pourchot said he could not say whether Knowles would veto the bill, "but it is a significant concern."

State Commerce Department Commissioner Willie Hensley said the cause requirement is a concern but not likely enough to cause a veto.

The bill would also allow a one-year lull before a failed recall attempt could be repeated and raise the percentage of shareholder signatures required to call a special meeting or hold a recall. The number would increase to 15 percent for large Native corporations.

To petition a smaller corporation with fewer than 500 shareholders would require 25 percent. The current standard is 10 percent.

One of the complaints by House critics is that the bill didn't get enough work in committees.

It had to make it through just one committee, the House Labor and Commerce panel, before it was scheduled for a floor vote. In contrast, Juneau Rep. Caren Robinson's bill to establish a Channel Islands Marine Park has four committees of referral.

"I believe it needs a lot more airing before it comes to the floor," Robinson said Wednesday.

As if to illustrate the point, during a break in the debate Wednesday night, about a dozen representatives gathered in the back of the chamber to try and answer questions about the bill raised by Rep. Mike Navarre, a Kenai Democrat who voted against the measure.

Both Rep. Kim Elton, D-Juneau, and Robinson voted against the measure. Four Republicans also voted no: Masek, Alan Austerman of Kodiak, Scott Ogan of Palmer and Terry Martin of Anchorage. Four Democrats in the House minority voted for the bill, Irene Nicholia of Tanana, Bettye Davis of Anchorage, Eileen MacLean of Barrow and John Davies of Fairbanks.

Of the six Native lawmakers who voted for the bill, five are past or present corporation board members. Only Nicholia doesn't have that on her resume.

Of the two Native lawmakers who voted against the measure, House Minority Leader Jerry Mackie, D-Craig, is a former Native corporation board member, and Masek lost an independent bid to win a seat on Doyon Ltd.'s board.

Masek said the bill was promoted and pushed by the big corporations at the expense of their shareholder rights.

Moses, a former president of the Aleut Corp., which has supported the bill, said the measure attempts to put a stop to frivolous recalls and special meetings sponsored by dissatisfied shareholders across the state.

"Everybody wants to be chief or wants to get their hands on the money," he said.

Alaska

Coroner's j

ing for just 12 n that a Fairbank ing an unarmed violent crime at

"I thought (ror James Lon six-member pa the officer who

State Corone request of Henr once in the che he attempted to

Ring and oth run them ove: Kettendorf, wh different stolen

Kettendorf v charges. He ha tempted murde according to co

Kettendorf's would reveal m her brother's d

Ring said h night at a Fairt registered und a back window

Kettendorf backed it towa the driver's-si Kettendorf to st

Detective P vehicle with his ther. Kettendor ning, and he a said.

"I thought h ing right at me

Knowles w

Tony Knowles board to recons sexual relations

The board v from suspensio men, but not wo

In February tionship with him at Friday's that stipulated l be moved from

The governor cause the Port McGuire's treat Her employer, phone.

"I think the shoul I have be for Dr. McGuir King said. Since Frida

Retired professor honored

House Bill 251 ^{ADW} 5-6-95

An act to hamstring Native shareholders

House Bill 251 — an act relating to Native corporations — should be permanently parked on a railroad spur.

As written, the revised bill would be unduly onerous for Native shareholders and would provide protection to Native-corporation boards of directors that isn't extended to non-Native boards.

Critics of the original bill succeeded in removing some harsh provisions. But even with these deletions, House Bill 251, now in the Senate, is still not worthy of passage.

One provision of the current bill would unnecessarily raise the bar for Native shareholders to call a special meeting. State law now allows for such meetings if signatures are gathered from shareholders who own 10 percent of stock. HB 251 would raise that level to 15 or 25 percent, depending on the number of shareholders.

That is not fair.

When it comes to special meetings, shareholders of Native corporations should not be treated any differently than other shareholders governed by state statutes who only need 10 percent to act.

HB 251, sponsored by Rep. Carl Moses, unfairly exempts Native corporation boards from rules designed to empower shareholders. The bill says if board members are elected by staggered terms, they can't be prematurely removed without cause from office at a special or regular meeting.

The amendment protects only Native corporation boards from a fair recall process outlined in state law. It is not the state's job to specially insulate Native corporation boards from shareholders.

The bill also requires that a written notice or petition and accompanying material be filed with the affected corporation "before a person solicits support." If this amendment is needed at all, why not require petitioners to file with the state? And why not require the same stipulation of the corporation, not just the shareholders?

Questions of corporate management are best settled by shareholders, not legislators. Native corporation shareholders deserve to be treated like shareholders of other Alaska corporations, with the authority and ability to hold management accountable.

deal

pectoral fin out of the
whales can extend to
girth. The undersides are
to. Some marine biolo-

gists believe humpbacks flash the fins at schools of herring to startle and herd them into tight balls, where the small fish can be more easily attacked. For a story on other tools and techniques used by humpbacks when feeding, please see today's Juneau Life, Page 9.

Projects still unfunded

Expansion, satellite money not in budget bills



works problem: Juneau's Democratic legislative delegation left, Sen. Jim Duncan and Reps. Caren Robinson and Kim are trying to add money to the reappropriations bill.

J. Hickel, was aimed at
ing jobs to workers laid off
the Greens Creek silver mine
miralty Island shut down.
her costs and other factors
y officials to cancel the pro-
ter about \$200,000 had been

spent.
Juneau lawmakers then pro-
posed a plan for spending the re-
maining \$1 million. That called
for spending \$3 million for Uni-
versity of Alaska Southeast stu-
dent housing, \$500,000 for sewer

system work near the university's Auke Lake campus, and \$400,000 toward improvements in the state's satellite telecommunications system.

The satellite work is part of a larger project that would help continue broadcasts by public TV and the Rural Alaska Television Network.

Knowles included the projects in his \$135 million public works spending plan, which he proposed in March.

Legislative leaders have since trimmed that figure.

The \$100 million Senate Bill 136, the most recent version of what is known as the capital budget, was released Monday by the Senate Finance Committee without the Juneau projects.

The Knowles administration and Juneau lawmakers also have

Please see Budget, back page

drop the matter from bankruptcy proceedings altogether.

From the IRS point of view, MarkAir has no hope for a profitable future. It also contends the airline plan for Chapter 11 to change the terms that the airline committed to last year in its reorganization plan from the first bankruptcy.

It is simply unreasonable to believe that MarkAir is motivated by any sunny-eyed notion that the corporation has any better chance to reorganize its business in MarkAir II than it had in MarkAir I," the IRS motion says.

The IRS isn't the only creditor challenging the second filing. Seattle First National Bank lawyers want the judge to throw MarkAir out of Bankruptcy Court, saying the company is trying to stop creditors from seeking what they are entitled to.

MarkAir's attorney was not immediately available for comment.

But MarkAir chief financial officer says

Recall bill slows to a standstill

By DIRK MILLER

THE JUNEAU EMPIRE

A House bill that would make it more difficult for shareholders to recall Native corporation board members is slowing down in the Senate and will have to wait for next year.

The bill passed the House last week, but has bogged down in the Senate Community and Regional Affairs Committee, which has not scheduled a hearing on the measure in the final week of the session.

Committee Chairman Sen. John Torgerson said there is not enough time left and he has concerns about the bill.

The bill, sponsored by Democrat Carl Moses of Unalaska, would require recall attempts to state a cause for the action. That could mean a trip to the courts to establish a legal cause, according to the state Commerce Department.

The cause requirement also would apply to recall attempts raised at annual meetings of the corporations.

Currently dissatisfied shareholders do not need legal cause to start a recall drive - all they need

Please see Bill, back page

Juneau Empire 5/9/95

girl talk often just gossip

And pairs of boys who were just friends gossiped less than pairs of boys who were not as close, Parker said.

In comparison, the closer two girls were, the more time they were likely to spend in gossip, it found.

"Boys used it to get acquainted. Girls used it when they were already close," Parker said.

The preteens were three times more likely to gossip about their own sex than the opposite sex, and equally likely to gossip about other people's relationships as about their own, Parker and psychologist Stephanie Tinsley found.

Some fourth graders at Wainwright Elementary School in Delta Township agreed that talk about the opposite sex is pretty common.

"Boys, the next school day, other girls and stuff that's going around school, the rumors" are all common topics, said Larry Parker, age 10.

For 9-year-old James Peterson, girls and sports are the main topics.

"I talk about what I'm going to do, who I like and school stuff," Peterson said Monday. "And I talk about sports that I play for fun - soccer, football and basketball."

The amount of time the youngsters spent gossiping is not surprising, said Peter Scales, director of national initiatives for the Center for Early Adolescence at the University of North Carolina.

"Kids that age, socializing is the prime thing they do," he said. "Kids are starting to define themselves."

The Ann Arbor study videotaped the conversations of 106 children, all between 9 and 12 and divided up into roughly equal male and female pairs. The children were at an overnight summer camp and were randomly paired with a camper of the same sex as a cabin mate.

Please see Gossip, back page

Continued from Page 1

pushed to include the three projects in the Legislature's annual reappropriations bill. That spending plan takes unused money from previous years' projects and allocates it to new projects, mostly within the same community or legislative district.

A House Finance Committee version of the reappropriations bill, slated for a hearing today, did not include the projects.

House Finance Co-Chairman Richard Foster, who prepared House Bill 178, said additional projects could be included.

"It's a fluid situation right

and member of the House GOP-led majority caucus.

Foster, however, made no commitment to fund UAS housing, sewer work or the satellite project.

Juneau's two House members, Democrats Kim Elton and Caren Robinson, said they are working on plans to try to add the projects to the House reappropriations bill.

Juneau's lone senator, Democrat Jim Duncan, said the final push may have to come from the governor's office.

"He's got the tools to get it in," Duncan said.

continue its efforts.

"A lot is going to come together in the next 36 hours or so," McConnell said.

There is little administration officials can do if Republican-majority lawmakers keep the projects out of the capital or reappropriations budgets. Though Knowles can veto items, he cannot add in projects.

If the marina money is reappropriated to other projects, Juneau's legislative delegation would push Knowles to veto the money and include it in next year's budget, Elton said.

MarkAir...

Continued from Page 1

ficer Steve Hartung last week disagreed with claims that the company filed for Chapter 11 in bad faith.

He said allowing the company to operate under Bankruptcy Court protection will mean it can pay off its debts more equitably to its creditors. A liquidation, on the other hand, would most benefit the largest creditors with collateral, on the backs of the other creditors,

Hartung said.

MarkAir filed for Chapter 11 bankruptcy protection last month. It was the second time in the past three years that the airline sought the court's help in holding off creditors while trying to reorganize its finances.

Since filing for bankruptcy protection on April 14, MarkAir has laid off 600 employees, returned nine airliners to leasing agents or owners, dropped jet service around Alaska and has transferred

operations from Anchorage to its Denver hub.

The new filing's preliminary figures show \$164 million in assets and \$223 million in debt, with \$100 million secured by collateral.

MarkAir Express, MarkAir's small-plane subsidiary, is not part of this filing, unlike 1992 when it also filed for Chapter 11. MarkAir Express is now trying to separate itself and survive on its own, but it is unclear how it would be affected in a ruling on the motions.

Bill...

Continued from Page 1

are petition signatures. Supporters of the measure say the corporations need protection from frequent and frivolous recall battles.

The bill also raises the percentage of shareholders required to call a special meeting, allows a year lull before similar recall attempts, and sets a 180-day deadline for gathering signatures.

"I'm not sure this battle between Native corporations and the shareholders belongs in the Legislature," said Torgerson, a Soldotna Republican.

He said the bill's requirements

should likely apply to all corporations and not single out Native corporations authorized by the Alaska Native Claims Settlement Act.

Supporters of the bill say if shareholders want to remove people from corporation boards without a reason, they could do so at regular elections. Otherwise, to allow recalls without sufficient cause affects the stability of the corporations.

Vikki Mata, a Sealaska Corp. spokeswoman, said the corporation supports having recalls based on a specific cause but doesn't like the idea of making shareholders go to court to establish cause.

"It's not that we're against shareholders' rights to petition the

corporation," she said. "We want to eliminate disruptions to the corporation's ongoing business."

Moses, a member of the House's GOP-led majority, said the bill is for the majority of corporation shareholders and eventually will prevail.

"I'm sure it will go through next session if it doesn't go this year," he said.

Opponents of the bill say it would weaken shareholder rights.

Portions of the bill are opposed by Gov. Tony Knowles, said Pat Pourchot, Knowles' legislative lobbyist. Pourchot has said the governor's office would work to have the cause requirement changed or eliminated in the Senate.

"It brings people back into the equation," said Gorton. "It counts human values as being important parts of the environment and allows them to be given appropriate weight."

Environmental groups and Babbitt said the bill would trash the law that has been credited with saving the bald eagle and dozens of other species over the past two decades.

"This bill is like a movie set for a western town," Babbitt said. "From the front it looks like the Endangered Species Act, but if you

Currently, the act requires the government to act to protect and rebuild the population of any species listed as threatened or endangered. Such requirements have led to protracted battles in the Pacific Northwest and Southeast states over the economic impact of preserving species.

Peter A.A. Berle, president of the National Audubon Society, said the bill would "reverse America's long-standing commitment to protecting our natural wildlife heritage" and "put at risk significant sectors of our economy and sp

Prosecutor wants de

THE ASSOCIATED PRESS

SEATTLE - The fatal shootings of three women in the King County Courthouse were "a full-out attack on the justice system" and call for nothing less than the death penalty, Prosecutor Norm Maleng said Monday.

Maleng announced he will seek execution as the punishment against Timothy Blackwell, the man accused of fatally shooting his wife and two of her friends in the courthouse March 2.

Blackwell, 47, a computer laboratory technician, is charged with three counts of aggravated first-degree murder in the deaths of his wife, Susana Remerata Blackwell, 25, and two friends, Phoebe Dizon, 46, and Veronica Laureta Johnson, 42.

He is charged with one count of first-degree manslaughter in the death of Susana Blackwell's 7-month-old fetus.

The shootings happened in a courthouse hallway shortly before a hearing in a case to end the Blackwells' marriage. Timothy Blackwell was seeking an annulment, claiming his mail-order bride had deceived him into marriage simply as a way to come to the United States from the Philippines.

Susana Blackwell had filed a counterclaim for divorce.

in prison with no chance of parole

"This was a horrific crime, Maleng said. "It ended four lives endangered many others and was a full-out attack on the justice system, the very institution designed to preserve the peace."

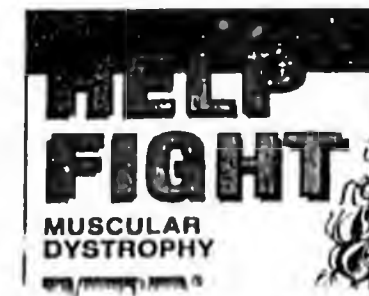
Aggravating circumstances in the case are that it involved multiple victims, and that the victims were witnesses in a court proceeding - the divorce-annulment case.

Blackwell's defense attorney Terry Mulligan, disagreed with the decision to seek execution, saying it is inconsistent with other death penalty cases since Blackwell has no history of criminal or violent conduct.

Blackwell is held in the King County Jail without bail. Trial scheduled for Aug. 21.

Senior deputy prosecutors Kerry Keefe and Lisa Marchese will prosecute the case.

If Blackwell is convicted of a



Client No. 0300

Bill's passage would rob Native corporation shareholders of power

Commentary

0313 511 0300 420A 345A

By Geri Reich

A bill introduced in March in the state House of Representatives has many Natives across the state concerned about its implications and how the bill will affect them.

House Bill 251 contains subtle yet drastic changes to laws governing Alaska Native corporations. It affects some 75,000 Alaska Natives who are shareholders of Native regional and village corporations. The bill is co-sponsored by Reps. Carl Moses, D-Unalaska; Eileen MacLean, D-Barrow; and Bill Williams, D-Saxman.

Bobbie Oskolkoff, a Cook Inlet Region Inc. and Ninilehik shareholder, wrote a letter to the Anchorage Daily News last week expressing her views on the bill.

She wrote that shareholders and village corporations were not informed about the bill, and that state statutes concerning both non-Native and Native corporations now require only 10 percent of signatures and no time restrictions for calling a special meeting. HB 251 would raise the 10 percent requirement and impose a restricted time of 90 days for filing the petition only toward Native corporations, thus "placing Natives in a unique and discriminatory situation."

HB 251 says that special meetings of the shareholders of a corporation organized under the Alaska Native Claims Settlement Act may only be called by the board, the chairman of the board, the president, or with a petition signed by the holders of not less than 25 percent of all the shares entitled to vote in corporate elections.

"In order for us to do that," said Ruth Schaeffer of Kotzebue, "we would have to travel to most of the 10 villages surrounding Kotzebue for the 25 percent needed. We would also have to try and contact those shareholders who are living out of state. This costs a lot of money, which we can't

Power ...

0313 511 0300 420A

From page 4 345A

afford.

Schaeffer made copies of the bill and passed them out to NANA Regional Corp. shareholders working at the Red Dog Mine. Some of the copies went to the villages within the NANA region with employees going home on scheduled breaks. Schaeffer also helped in writing a petition that opposes the bill.

"It is our opinion that these amendments serve only to consolidate the power of the corporate board over the shareholders," said Schaeffer. "Furthermore, we believe that the amendments to Section 1 (a section concerning a director's liabilities) are necessary

to protect the Native shareholders from unscrupulous acts of corporate boards."

The petition garnered over 100 signatures from employees, not only from Native corporation shareholders, but from others who, because they are state citizens, can participate in opposing this bill.

"They're trying to take away your constitutional rights," said Bill Cress who signed the petition. Cress is a heavy-equipment operator who works for Cominco.

The bill also calls for people who knowingly and willfully violate any part of the proposition to be subjected to civil penalties such as a mandatory jail sentence or heavy fines. HB 251 also sets another time restraint that prohibits petitioners from bringing the same subject matter to the corporate board's attention for two years after

it has initially been presented.

During a legislative hearing on the bill last Wednesday, one Native shareholder from Juneau got right down to the point when she said, "The board has the power to sell our land. What if they do? And one of us petitions this? If it is found arbitrary and capricious and is thrown out, then we have to wait two years?"

Bobbie Oskolkoff probably defined how the bill could affect Alaska Native shareholders when she wrote, "Extremely powerful corporate leaders who introduced a bill of this magnitude create a 'chilling effect' on shareholders. With HB 251, no reasonable Native shareholder will ever raise his voice in protest again.

Geri Reich is a Kotzebue resident and an electrician at the Red Dog Mine.

HB 251 violates rights

I am writing in regard to House Bill 251, sponsored by Reps. Carl Moses (Unalaska), Eileen MacLean (Barrow) and Bill Williams (Ketchikan).

As written, HB 251 violates the constitutional rights granted to all U.S. citizens. Currently, the bill is in the House Labor and Commerce Committee (Pete Kott, chairman).

The proposed bill prohibits the people from speaking or petitioning on an issue for one year if the issue is substantially the same subject matter brought to the shareholders in the preceding year.

This section of the bill is a violation of the First Amendment freedom of speech, and the right of the people peaceably to assemble and to petition for a redress of grievances.

HB 251 also violates the Fifth Amendment right to "due process." This section allows the state administrator to violate the due process rights of an individual and immediately issue orders against an individual who has engaged in or is about to engage in an act that is in violation of the bill's amendments.

The individual does not have to commit a violation; the administrator only has to be informed that he may engage in an act in violation.

— Myrna Gardner
Klawoc

AGAINST THE ODDS

One native corporation stands alone backing the wishes of its shareholders. Kikiktagruk Inupiat Corporation (Kotzebue village corp.) donated a substantial amount of the money needed when its shareholders were raising funds to send Mr. Emil Notti to Juneau to lobby against HB251. Alaska Native Shareholders from Kikiktagruk Inupiat, NANA, Doyon, Sea Alaska, North Slope, AHTNA, Bering Strait, Calista, Ninilchik, CIRI, KNA, Sea Lion, Tikikguuk, Klawoc, and Salamatof united from across Alaska to fight against a House Bill they consider racist and discriminating. Shareholders are upset with powerful leaders paying exorbitant amounts of *our own* corporate assets for lobbyists, attorneys, consultants and others in order to silence Native Shareholders. Naive Natives innocently believed hundreds of letters, phone calls, public opinion messages, petitions and faxes would have a powerful effect on lawmakers. After speaking with legislators who voted yes for HB251 shareholders realized lobbyists relate potent convincing arguments to legislators who have little time to review bills. Ultimately natives learned they had to use corporate tactics and lobbyists to try to defeat the bill. Corporate management failed to inform shareholders before introducing legislation affecting their rights to participate. Over the past month, through news editorials, shareholders began to contact one another, forming a coalition of united shareholders. The joint effort resulted in enough funds to send Mr. Emil Notti to lobby against HB251. Mr. Notti who has been active in Native affairs for most of his life was contacted and he volunteered. After discussion with all shareholders involved he was unanimously selected. Shareholders cannot change by-laws or effectively defeat corporate management slates under some of the current native corporate structures. All resolutions are advisory to the board and advisory votes do not allow shareholders to change corporate structure, alter by-laws and articles of incorporation or simply approve them. The only recourse open to shareholders is recall and/or petitions which are merely advisory and serve only to notify corporations of shareholder concerns. Shareholders are restricted by management slates who often use seniority to retain Board members and management control. United Natives feel they represent more votes than corporate leaders. And we also perceive legislators as failing to remember who elected them to office in the first place. These feelings are the heart of the united effort to obtain representation for the shareholders in Juneau. Controversial shareholders believe that interaction between shareholders and their corporations is healthy and should be encouraged, not discouraged. We use this interaction as an attempt to bring positive reconstruction to our corporations which were established in 1971. In 1995 shareholders are demanding participation available to all other corporations under Alaska State Law. HB251 places restrictions geared only to Native Corporations. United Shareholders believe Native issues should be addressed by Natives and legislative action should be ceased. We are already bound by laws and restrictions under the guidance of Banking and Securities. Shareholders feel HB 251 is simply a special interest bill introduced by CEO's to silence those who wish to voice opinions. Natives became alarmed and were forced by legislators and corporations to send Mr. Notti to Juneau in a crusade designed to pit native against native. This is positively against our culture but we are left with little or no recourse. This Bill should have been brought before ALL Natives before introduction. Except for the corporate leaders, we have not found a shareholder anywhere that supports this bill. Late Wednesday afternoon shareholders learned the Bill was passing the house. Phones and facsimiles allowed shareholders across the state to raise money, contact Mr. Notti and implement a united effort within 3 hours time. Rapid unity has never occurred in our brief corporate history before. This Bill has once again united the Alaskan people. Mr. Notti left for Juneau Thursday morning in an effort to halt the

SO WHO REALLY BENEFITS FROM HB251? Have the legislators already forgotten who elected them into office?

AGAINST THE ODDS

One native corporation stands alone backing the wishes of its shareholders. Kikiktagruk Inupiat Corporation (Kotzebue village corp.) donated a substantial amount of the money needed when its shareholders were raising funds to obtain representation in Juneau. Recently shareholders formed a coalition and unanimously selected Mr. Emol Notti to lobby against HB251. Alaska Native Shareholders from Kikiktagruk Inupiat, NANA, Doyon, Sea Alaska, North Slope, AHTNA, Bering Strait, Calista, Ninilchik, CIRI, KNA, Sea Lion, Tikikguuk, Klawoc, and Salamatof united from across Alaska to fight against a House Bill they consider racist and discriminating. Shareholders are upset with powerful leaders paying exorbitant amounts of *our own* corporate assets for lobbyists, attorneys, consultants and others in order to silence Native Shareholders. Corporate management failed to inform shareholders before introducing legislation affecting their rights to participate. Shareholders feel HB251 is simply a special interest bill introduced by CEO's to silence those who wish to voice opinions. Interaction between shareholders and their corporations is healthy and should be encouraged, not discouraged. Under some of the current native corporate structures, shareholders cannot change by-laws or effectively defeat corporate management slates. All resolutions are advisory and do not allow shareholders to change corporate structure, alter by-laws and articles of incorporation or simply approve them. The only recourse open to shareholders is recall and/or petitions which are merely advisory and serve only to notify corporations of shareholder concerns. This Bill should have been brought before ALL Natives before introduction. Except for the corporate leaders, we have not found a shareholder anywhere that supports this bill.

Ruth C. Ferguson-Schaeffer

7420 Tangle Court

Anchorage, AK 99504-3527

(HM) 907-337-0559 (unlisted #)

(WK) 907-426-9206 I work out of town on a
2/1 schedule. 2 in Aug. May 9
(weather permitting)

(edited for the
newspapers)

AGAINST THE ODDS

One native corporation stands alone backing the wishes of its shareholders. Kikiktagruk Inupiat corporation (Kotzebue village corp.) donated a substantial amount of the money needed when its shareholders were raising funds to send Mr. Emil Notti to Juneau to lobby against HB251.

Alaska Native Shareholders from Kikiktagruk Inupiat, NANA, Doyon, Sea Alaska, North Slope, AHTNA, Bering Strait, Calista, Ninilchik, CIRI, KNA, Sea Lion, Tikikguuk, Klawoc united from across Alaska to fight a House Bill they consider racist and discriminating. The joint effort resulted in enough funds to send Mr. Emil Notti to lobby against HB251.

Powerful Corporate leaders paid exorbitant amounts for lobbyists and others in order to silence Native Stockholders who have been forced to unite because they began to realize they needed a lobbyist after many letters, public opinion messages, faxes and phone calls failed to destroy the Bill. WHO REALLY BENEFITS FROM HB251? Have the legislators forgotten who elected them into office?

May 2, 1995

To the Alaskan Legislature:

I am a shareholder in the Bering Strait Native Corporation and through my mother, Hana Kangas, the Ahtna Corporation. I am most definitely against House Bill 251.

This adds insult to injury to all of those shareholders who have benefitted very little, if at all, from the Alaska Native Claims Settlement Act. The true value of corporation assets has not been presented to the shareholders. Instead boardmembers have awarded themselves huge bonuses at the expense of the shareholders to whom they are responsible. This is generally true for all of the Native Corporations; some to a greater extent than others.

To target the Native Corporation Shareholders via legislation as a special class is a racist action which burdens the shareholders to a greater extent.

Please vote against House Bill 251.

Shelley Trainor
211B McCarrey #16
Anchorage, Alaska 99508

A handwritten signature in cursive script that reads "Shelley Trainor". The signature is written in black ink and is positioned below the typed name and address.

House Bill 304: more anti-Bush legislation

The administration recently introduced House Bill 304, which attempts to reduce the state budget by targeting its most isolated rural workers. Because of that very isolation, this small group of employees are those least able to protest such injustice. The bill may also withdraw support from grantees such as the borough government.

State workers, like court clerks, in areas like Barrow, Kotzebue, Nome and Bethel, may find their salaries reduced by \$1,000 a month. The administration has chosen to ignore its own cost surveys which show that many of those very workers receive much less than they should in geographic differentials seeking to provide some parity with urban area workers.

A state worker in Barrow easily pays twice as much in housing costs as a worker in the same position in Juneau or Anchorage. Clothing, food and utility prices are equivalently higher. Shower and laundry water costs of 15 cents per gallon are astronomical. To go out to a movie and a dinner for two costs over \$1,000, considering that the nearest theater is a plane ride to Fairbanks. Forget driving. It costs thousands of dollars just to ship in a compact car, and gas is almost \$4 a gallon. The car needs to be plugged into an electrical outlet eight months out of the year, and the nearest paved road is 500 miles away.

State workers' pay is already so low in these areas that some jobs go unfilled for years, despite statewide recruitment. Turnover rates are extremely high, because state wages are not nearly as competitive with North Slope Borough pay scales. Thousands of training dollars are easily squandered, and the public may often have to deal with service providers who are learning on the job. It is conceivable that courts and other state agencies could be forced to close simply because it may be impossible to hire replacements.

In some cases, the previous administration dragged on contract renewal talks for over a year. The legislature has reneged on agreements that were signed in the past. This is despite the fact that the average state government employee makes less than the average Alaskan. Our present administration, seemingly anxious to virtually give away the North Slope's petroleum heritage, has done no better. It is particularly offensive that it seeks to subsidize these giveaways by penalizing low income, rural and indigenous Alaskans most heavily.

Frank Smith
Barrow

House Bill 251 would steal shareholders' voice

I am responding to the April 20 article in the *Arctic Sounder* "Bill's passage would rob Native corporation shareholders of power" written by Geri Reich.

Proposed House Bill 251 says that special meetings of the shareholders of a corporation under the Alaska Native

Claims Settlement Act may only be called by the board, the chairman of the board, the president, or with a petition signed by the holders of not less than 25 percent of all the shares entitled to vote in corporate elections.

If statutes concerning non-Native corporations require 10 percent of signatures on petitions and no time restrictions, why are the lawmakers attempting to make it more difficult for Native shareholders to exercise their rights?

I had collected 25 percent signatures on a petition requesting a special meeting of UIC corporation (which I am a shareholder of) to address mismanagement issues on the part of the Ukpeagvik Iñupiat Corporation president and UIC Construction president. At the meeting, the board informed us that we needed 50 percent shareholder attendance to have a quorum. There wasn't 50 percent shareholder attendance, so the meeting was canceled due to lack of quorum.

A number of shareholders live in the outlying villages, Fairbanks, Anchorage and out of state, and the ones I had talked with said they weren't notified of a special meeting. I had contacted a number of friends in town and they informed me that their supervisors wouldn't excuse them from UICC employment positions to attend. Most of the people I talked with didn't even know there was a meeting scheduled. It is evident that proper notification was not issued from the UIC parent office in Barrow.

I believe if a situation like this arises a non-biased entity should conduct the notification and scheduling of a meeting.

There were a lot of shareholders that had concerns and were not allowed to voice them at this meeting. There hasn't been any progress and if the Native corporations are going to conduct their business like this, the shareholders will never be allowed to correct what they see is wrong.

Non-shareholders who commute out of Anchorage seem to run this corporation. I wonder how many other corporations are run by non-Natives/non-shareholders. I wish Native shareholders would understand what is going on and take control of your corporation. Help, make your own decisions, your community knows what its needs are.

I believe that all Alaska Natives are a proud people and need to stay that way.

So please, exercise your right to vote your choice, your opinions and let them be heard by your state representative. If this bill passes, it makes it more difficult to have your concerns be heard.

I have tried, and even after collecting 25 percent signatures the meeting was shut out. When we know something's not right and want to do something to make it right, it is very difficult. I have tried to put things the way it was meant for — for the shareholders. It is very stressful to keep pushing to try and make things right for what you believe is right and now I am asking everyone — help, stand up for your rights and let our voices be heard!

Clara Kiouss
Barrow

Richard

LOCAL
NULLAGVIK



Stylists: Audrey, Eric, Richard, T.

Please call Lisa
to schedule

When in Anchorage visit

And let the people
know



JEANIE GREENE

HEARTBEAT

"We are proud
the 1995 recipient
Press Club Publication"

Heartbeat

2611 Fairbanks
Anchorage

Phone (907) 272-2222

Let your voice be heard. Put down your thoughts in a letter.

Honorable Governor Tony Knowles

May 4, 1995

Bobby Schaeffer
Shareholder of NANA & KIC
P.O. Box 1148
Kotzebue, Alaska 99752

Dear Honorable Governor Knowles,

I was told that you support H.B. 251. A bill that passed the House of Representatives May 3, 1995, relating to placing restrictions on Native Corporation Shareholders, when shareholders wish to petition for a special meeting.

I am not happy with your stand as it was the shareholders of our corporations that voted you in as our Governor, not the CEO's of corporations.

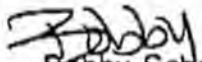
HB 251 is simply a special interest bill introduced by the CEO's of our Native Corporations to silence the shareholders, when shareholders wish to express concerns of corporate activities. I think this interaction is healthy and should be encourage not discouraged. The restrictions allowed in HB 251 would make it more difficult for shareholders to express their concerns of corporate activities.

In addition, I wish to alert you of a possible conflict of interest situation with one of your cabinet members. Mr. Hensley, not only is a member of your cabinet, but also sits as co-chair of AFN. AFN supports this bill. Mr. Hensley is a former CEO of a native corporation and friends of other CEO's of regional corporations that are spending corporate dollars pushing this bill through. I have inquired as to why AFN took such a stand, and the word is, the co-chairs told AFN staff to support this bill.

I have not found a sharehoder anywhere that supports this bill. If the Senate passes this bill with no changes, it will go before you for your signature. I respectfully request that you reconsider your position on this bill simply as a jesture of respect for the village folk that voted you in as our Governor.

Thank you for your consideration.

Sincerely,


Bobby Schaeffer
Shareholder - NANA and KIC

CC: AFN
Daily News

(In Anch. Daily News the day after Bobby Schaeffer's letter to Knowles)

Knowles seeks bill change

Native corporations support tougher rules for recall drives

The Associated Press

UNEAU — The Knowles administration says it will work to defeat or modify a House bill's requirement that shareholders show cause when trying to recall Native corporation board members.

The provision is supported by several Native corporations, which are looking to the state for help in avoiding what they call frivolous and expensive recall efforts by dissident shareholders.

The House passed the bill Wednesday, 26-14, moving it to the Senate.

Pat Pourchot, Gov. Tony Knowles' legislative lobbyist, said the requirement making shareholder recall drives more difficult has caused some con-

cern in the governor's office.

"I think we continue to have serious concerns on the for-cause provision, particularly if the only recourse is to take it to court," he said.

Pourchot said the governor's office would work to get the cause requirement modified or eliminated in the Senate.

In a letter to sponsor Carl Moses, an Unalaska Democrat in the House majority, Sealaska Corp. chief executive officer Leo Barlow restated the southeast Alaska regional corporation's support.

Anchorage-based Cook Inlet Region Inc. also supports the bill.

Critics say the cause requirement means a shareholder would have to go to court to establish a cause before a re-

call could begin.

"They can't afford to go to court and pay their court fees," Rep. Beverly Masek, R-Willow, said during House debate Tuesday night. Masek failed in her attempt to remove the requirement from the bill.

The stricter standard is not imposed on any other corporation in the state.

Supporters of the provision say if Native corporation shareholders want to remove people from boards without a reason, they could do so at regular elections.

State Commerce Department Commissioner Willie Hensley said the cause requirement is a concern but not likely enough to cause a veto.

The bill also would allow a

one-year lull before a failed recall attempt could be repeated and raise the percentage of shareholder signatures required to call a special meeting or hold a recall. The number would increase to 15 percent for large Native corporations, such as Sealaska.

To petition a smaller corporation with fewer than 500 shareholders would require 25 percent. The current standard is 10 percent.

One of the complaints by House critics is that the bill didn't get enough work in committees.

It had to make it through just one committee, the House Labor and Commerce panel, before it was scheduled for a floor vote.

CONCERNED NATIVE SHAREHOLDERS

Kotzebue, Alaska 99752

Shareholders Unite

To defeat HB251

For Immediate Release

Friday, May 05, 1995

[Contact: Ruth C. Ferguson-Schaeffer]

907-426-9206

DO NOT print
please.

Ruth C. Ferguson-Schaeffer
NANA & KIC shareholders

Kotzebue - Concerned Alaskans and Native Shareholders formed a coalition consisting of Kikiktagruk Inupiat, NANA, Doyon, Sea Alaska, North Slope, AHTNA, Bering Strait, Calista, Ninilchik, CIRI, KNA, Sea Lion, Tikikguuk, Klowoc and Salamatof have united against House Bill 251. They are alarmed over a bill which they consider unfair and biased. The Joint effort has resulted in funds being raised to send Mr. Emil Notti to lobby their cause in Juneau against HB251. Kikiktagruk has played a major role in the fight against HB251. This bill, supported by Powerful Corporate Leaders and Politicians, serves only to benefit Corporate Leaders by giving them broader controls over Shareholder activities. Shareholders have been uniting for the past month in a last ditch effort to halt HB251's passage. This resulted in many letters, petitions, public opinion messages, faxes and phone calls to elected officials requesting the HB251 be voted down. The massive effort has so far failed to destroy HB251, it passed the House May 03, 1995, it is currently in the Senate.

PRINTED NAME	SIGNED NAME	CORPORATION	VILLAGE/TOWN/CITY
Abraham Snytel	Abraham Snytel	NANA Regional Corp	Kotzebue AK
DAN HAGGREN	Dan Haggren	NANA Regional	KOTZEBUE, AK
Leo Thomas	Leo Thomas	NANA Regional Corp	Buckland, AK
Henry Sherman	H. S. Sherman	NANA Regional Corp	Kotzebue, AK
JEFF RAMOTH	Jeff Ramoth	" "	Selawik AK
Ed Douglas	Ed Douglas	" "	Shungnak AK
Kenny Wells	Kenny Wells	" "	Noorvik AK. 99763
Alvin Williams	Alvin Williams	NANA Regional Corp	Ambley AK-99786
CLYDE F. RAMOTH	Clyde F. Ramoth	NANA REG. CORP.	SELAWIK, AK 99770
Cecil W. Taylor Jr	Cecil W. Taylor Jr	NANA / KIC Corp.	Anchorage AK 99519
Nelson Walker Jr.	Nelson Walker Jr.	NANA / KIC	Kiama AK 99749
DAVID S. KELSEY	David S. Kelsey	NANA	KOTZEBUE AK 99750
Harry Johnson	Harry Johnson	NANA	Kotzebue AK 99761
Walter W. Downey	Walter W. Downey	NANA	Kotzebue, AK 99750
EVANS BALLOT JR	Evans Ballot Jr	NANA	BUCKLAND AK
David E. Conrath	David E. Conrath	NANA Region	Selawik AK
HENRY BALLOT JR	Henry Ballot Jr	NANA	NOORVIK, AK
Ruth C. Schaeffer	Ruth C. Schaeffer	NANA / KIC	ANCHORAGE, AK
ROBERT MITCHELL	Robert Mitchell	NANA	NOORVIK AK
Noah Skin	Noah C. Skin	NANA NANA	Selawik
Gerritt Smith	Gerritt Smith	NANA	Kotzebue
Frank J. Jackson	Frank J. Jackson	NANA	Kiama
Vernon Thomas	Vernon Thomas	NANA	Buckland
Deborah Garbar	Deborah Garbar	NANA / KIC	ANCHORAGE, AK
Louis Halley Jr	Louis Halley Jr	NANA	Buckland
Rachel Nelson	Rachel Nelson	NANA	AK
BRYAN WILSON	Bryan Wilson	NANA	ANCHORAGE
Clara Wells	Clara Wells	NANA	Fairbanks
GARY GALLAGHER	Gary Gallagher	NANA	Anchorage
Leticia Sheldon	Leticia Sheldon	NANA	Ambley AK
William Crest	William Crest	NANA	Kotzebue AK
Jim Bauman	Jim Bauman	NANA	Kotzebue
Francis C. Smith	Francis C. Smith	NANA	Anchorage
Howarth Wilbur	Howarth Wilbur	Bunker NANA	ANCHORAGE
Desi Curtis	Desi Curtis	NANA	ANCHORAGE
CHARLES GARBAR	Charles Garbar	NANA / KIC	KOTZEBUE
Charles Smith	Charles N. Smith	NANA	Selawik AK. 99770

WE, THE UNDERSIGNED SHAREHOLDERS OF THE REGIONAL AND VILLAGE CORPORATIONS
 ARE OPPOSED TO HB 251. (AN ACT RELATING TO THE MEETINGS, SHAREHOLDER PROPOSALS
 AND REMOVAL OF DIRECTORS OF NATIVE CORPORATIONS)

SHAREHOLDER	REGIONAL CORPORATION	VILLAGE CORPORATION
1. <i>Rosemary Pavilla</i>	Calista Corporation	Dinak Corporation Ltd
2. <i>Lawrence Pavilla</i>	Calista Corporation	Bethel Native Corporation
3. <i>Martine Pavilla</i>	Calista Corp.	Kasigluk Corporation
4. <i>Blow Dina</i>	Calista Corp.	Atmautluak, AK
5. <i>John M. Pavilla</i>	Calista Corp	Atmautluak, AK
6. <i>Arthur J. Pavilla</i>	Calista Corp	Atmautluak, AK
7. <i>Charles Mack</i>	Calista Corp	Atmautluak Ltd.
8. <i>Flora Nelson</i>	Calista Corp.	Atmautluak, Alaska
9. <i>Robert K. Nelson</i>	Calista Corp.	Atmautluak Ltd.
10. <i>Robert R. Nelson</i>	Calista Corp.	Napahish Corp.
11. <i>Mary M. Pavilla</i>	Calista Corp	Atmautluak
12. <i>Louise Nicholas</i>	Calista Corporation	Atmautluak Limited
13. <i>Oleeta Alex</i>		Kasigluk Inc.
14. <i>Mary Lou Nochin</i>	Calista Corporation	Atmautluak Limited
15. <i>Mary A. Pavilla</i>	Calista Corporation	Atmautluak, AK
16. <i>Susan Pavilla</i>	Calista Corporation	Kasigluk Corp.
17. <i>Arthur A. Pavilla</i>	Calista Corp	ATM. AK
18. <i>Angelina M. Pavilla</i>	Calista Corp.	ATM. AK.
19. <i>Elena Pavilla</i>	Calista Corp	B.N.C. Bethel AK.
20. <i>Ralph Pavilla</i>	Calista Corp	BNC
21. <i>Martin R. Pavilla</i>	Calista Corp	Kasigluk Corp
22. <i>Marie M. Pavilla</i>	Calista Corp.	Kasigluk Corp
23. <i>Nelson R. Nelson</i>	Calista Corp	BNC. Bethel
24. <i>John Pavilla</i>	Calista Corp	Atmautluak Ltd
25. <i>Robert Pavilla</i>	Calista Corp	Atmautluak Ltd
26. <i>John Pavilla</i>	Calista Corp.	Atmautluak Ltd
27. <i>Elena Nick</i>	Calista Corp	Atmautluak Ltd
28. <i>Robert Nelson</i>	Calista Corp	ATM LTP
29. <i>Ruth Nelson</i>	Calista Corp	ATM LTP
30. <i>Wilson Nicholas</i>	Calista Corp	ATM. LTP.

PAGE ONE OF THREE

NATIVE VILLAGE
 OF Atmautluak

Put the brakes on HB 251

This letter is a wholehearted plea to stop House Bill 251 from becoming law. This bill is being pushed by CIRI management, and it just passed the state House.

This bill attempts to:

1) Increase the percentage of shareholder signatures from 10 percent to 25 percent to call a special meeting.

2) Place restrictions and penalties on board members who stray from executive council policy and directions.

It contains other language to subdue Native membership interaction and say-so.

As it is now, only a very small percentage of Natives benefit from ANSCA, and these people are our corporation managers/leaders and their immediate families. Some of the top managers are millionaires, while many shareholders (true Natives) live in poverty conditions.

These present managers are, in my opinion, selfish, greedy and care very little about the Native people overall.

— Mike O'Neill
CIRI shareholder

House Bill 251

An act to hamstring Native shareholders

House Bill 251 — an act relating to Native corporations — should be permanently parked on a railroad spur.

As written, the revised bill would be unduly onerous for Native shareholders and would provide protection to Native-corporation boards of directors that isn't extended to non-Native boards.

Critics of the original bill succeeded in removing some harsh provisions. But even with these deletions, House Bill 251, now in the Senate, is still not worthy of passage.

One provision of the current bill would unnecessarily raise the bar for Native shareholders to call a special meeting. State law now allows for such meetings if signatures are gathered from shareholders who own 10 percent of stock. HB 251 would raise that level to 15 or 25 percent, depending on the number of shareholders.

That is not fair.

When it comes to special meetings, shareholders of Native corporations should not be treated any differently than other shareholders governed by state statutes who only need 10 percent to act.

HB 251, sponsored by Rep. Carl Moses, unfairly exempts Native corporation boards from rules designed to empower shareholders. The bill says if board members are elected by staggered terms, they can't be prematurely removed without cause from office at a special or regular meeting.

The amendment protects only Native corporation boards from a fair recall process outlined in state law. It is not the state's job to specially insulate Native corporation boards from shareholders.

The bill also requires that a written notice or petition and accompanying material be filed with the affected corporation "before a person solicits support." If this amendment is needed at all, why not require petitioners to file with the state? And why not require the same stipulation of the corporation, not just the shareholders?

Questions of corporate management are best settled by shareholders, not legislators. Native corporation shareholders deserve to be treated like shareholders of other Alaska corporations, with the authority and ability to hold management

Shareholders fighting HB 251

One Native corporation stands alone in backing the wishes of its shareholders. Kikiktagruk Inupiat Corp. donated a substantial amount of the money needed when its shareholders were raising funds to obtain representation in Juneau.

Recently, shareholders formed a coalition and selected Mr. Emil Notti to lobby against HB 251. Alaska Native shareholders from Kikiktagruk Inupiat, NANA, Doyon, Sealaska, North Slope, AHTNA, Bering Strait, Calista, Ninilchik, CIRI, KNA, Sea Lion, Tikikguuk, Klawoc and Salamatof united to fight against a bill they consider racist and discriminating.

Shareholders are upset with powerful leaders paying exorbitant amounts of our corporate assets for lobbyists, attorneys and others to silence us.

Shareholders feel HB 251 is simply a special interest bill introduced by CEOs to silence those who wish to voice opinions. Interaction between shareholders and their corporations is healthy and should be encouraged, not discouraged.

Under some Native corporate structures, shareholders can't change bylaws or effectively defeat corporate management slates. All resolutions are advisory and do not allow shareholders to change corporate structure, alter bylaws and articles of incorporation, or simply approve them.

The only recourse open to shareholders is recall and/or petitions, which are merely advisory and serve only to notify corporations of shareholder concerns.

HB 251 should have been brought before *all* Natives before introduction. Except for the corporate leaders, we have not found a shareholder anywhere who supports this bill.

— *Ruth C. Ferguson-Schaeffer*

CONCERNED NATIVE SHAREHOLDERS

Seasolik, Alaska

NATIVE SHAREHOLDER TUNDRA TELEGRAM

Putrid Legislative Procedures

For Immediate Release

Sunday, May 07, 1995

[Contact: Tina Jones] 
[NANA/KIC Shareholder, Seasolik]

907-426-2175- (wk)

Criminal Political Diversionary Tactics aimed at railroading through *special interest issues* that are contrary to the majority of the citizens it affects.

Legislators are violating shareholders rights to address controversial Bills in the villages of Kivalina, Pt. Hope and Barrow. While they are all out on the ice whaling, Legislators rush Bills through that the citizens of these towns would oppose.

"This is not the first time", we were told yesterday by Beverly Hugo of Barrow, "They do this to us all the time. We would like to fight HB251, but we do not have the time right now. We have three (3) whales to cut up. Everyone is needed out on the ice. It will just have to wait until we are done. The whales are our survival."

Lets ensure that THIS WILL BE THE LAST TIME they pull a stunt like this. One way to counteract this would be for ALL shareholders to inform each other. If you know of Bill(s) that will adversely affect us, make sure to write letters and fax them to the editors of every newspaper in the state of Alaska. Hold your Representatives and Senators accountable for their actions.

Some have severe conflicts of interest. They are being pressured by CEO's to pass HB251, one Senator works for a corporation every summer. Planning to retire soon, he would loose the insurance of getting his job if he did anything but vote for the bill. In these instances, they should abstain from voting.

Anchorage Daily News May 07, 1995

ANCSA shareholders ignored

I have just learned that Carl Moses has proposed a bill (HB 251) that would make it even more difficult for Alaska Native shareholders to make their leaders more responsive to their needs and wishes.

Not only is this proposed legislation particularly unfair to shareholders of ANCSA corporations, it also violates our state Constitution, which specifically prohibits the legislature from enacting laws that only affect one racial or ethnic group.

ANCSA corporations currently have more power and political influence than Congress envisioned when it enacted ANCSA. There are no laws limiting ANCSA corporations from spending our corporate funds to ensure that their board members and officers remain in power.

They can, and have, hired numerous attorneys to file lawsuits against their shareholders who oppose their personal pecuniary interests.

I am certain that readers are aware of the awesome influence ANCSA corporations have exerted in getting "friendly" politicians elected in this state. As you might imagine, these corporate wishes seldom reflect the needs of Native shareholders.

— Frank Peratrovich

CONCERNED NATIVE SHAREHOLDERS
Kiana, Ak 99752

Native Shareholder Alert

HB251 Goes Before Senate

For Immediate Release

Sunday, May 07, 1995

[Contact: Laura Jackson]
NANA Shareholder, Kiana



907-426-9161 - (wk)

The concern of Native Shareholders is heightened. HB 251 recently passed the Alaska House. Against the concerted effort of Alaskan Native Shareholders. Corporate Leaders and Politicians have pushed the Bill through the House and into the Senate. Concerned Alaska Citizens and Native Shareholders are alarmed by HB251's passage by the House in such a short period of time. This Bill serves only to strengthen the control Native Corporate Leaders have over Shareholder activities. Severely limiting Shareholder rights and abilities to protect themselves from the actions of unscrupulous Corporate Leaders. This Bill only affects the operations of Native Corporations within Alaska. Raising Shareholder concerns of political bias against Native Corporations by State Government. Concerned Alaska Citizens and Native Shareholders should promptly voice their opinions on HB251. Go to your local Legislative Information office and fill out a public opinion message and send it to all State Senators and the Governor. Anyone who has already written, if you have not sent your petitions, letters etc. directly to the Senators and Governor, please do so, we have been told that the Senators have not received any. **WE DO NOT WANT TO LEAVE THE CONCEPTION THAT THERE IS NO OPPOSITION TO HB251.**

CONCERNED NATIVE SHAREHOLDERS

Kotzebue, Alaska

NATIVE SHAREHOLDER REALITY CHECK

Who really benefits from HB251

For Immediate Release

Sunday, May 07, 1995

[Contact: Abraham Snyder]
[NANA/KIC Shareholder, Kotzebue]

907-442-2921- (hm)

Over the past month, through news editorials, shareholders began to contact each other about HB251.

Ultimately natives learned, after contacting each other, that they had to use corporate tactics and lobbyist to try to defeat the bill because petitions did not work to stop a Bill they regard as narrow minded and bigoted.

Natives use assertive interaction as an attempt to bring positive reconstruction to our Corporations which were established in 1971. In 1995, we want participation available to all other corporations under Alaska State Law. HB251 places restrictions geared only to Native Corporations.

CEO's introduced HB251 to silence shareholders who wish to voice their opinions. Natives of all corporations should have been given the opportunity to review the Bill before it was enacted.

Shareholders believe Native issues should be addressed by Natives and Legislative action should stop immediately. Especially because we are already bound by laws & restrictions under the guidance of Banking & Securities.

Shareholders are restricted by Management and Board Members Control, however, Shareholders represent more votes than Corporate leaders. More over I perceive legislators as failing to remember who elected them into office in the first place!

Abraham Snyder



SEALASKA CORPORATION PROXY

Solicited by the Board of Directors for the Annual Meeting of Shareholders - October 7, 1995

The undersigned hereby constitutes and appoints Jim Edenso, Marlene Johnson, Albert Kookesh, Alan L. Williams, and Rosita Worl, a majority of them, or any one of them acting in the absence of others, and in accordance with Sealaska's bylaws, with the full power of substitution, the true and lawful attorneys and proxies of the undersigned, to attend the Annual Meeting of Shareholders of Sealaska Corporation to be held in the Wrangell Community Center in Wrangell, Alaska on Saturday, October 7, 1995, at 10:00 a.m., Alaska Standard Time, and any adjournment thereof, and to vote all of the shares of the Corporation which the undersigned could vote, with all the powers the undersigned would possess if personally present at such meeting, all as described in the Notice of Meeting and Proxy Statement, both dated August 14, 1995, receipt of which is hereby acknowledged. *In their discretion, if this proxy is signed, and if no specific direction is given, this proxy will be voted for the election of the Board of Directors' nominees for directors and upon such other matters as may properly come before the meeting.*

- VOTE FOR NO MORE THAN A TOTAL OF FOUR NOMINEES
- YOU HAVE FOUR (4) VOTES FOR EVERY SHARE YOU OWN
- CHECK BOX 1, 2 or QUORUM ONLY. As a Sealaska shareholder you have the option to make the following choices on your Proxy:

1. VOTE DISCRETIONARY. Your votes will be voted for candidates on the Board of Directors' slate. The nominees listed below will be elected for three-year terms ending 1998. The Corporation will distribute your votes among its slate at the discretion of the proxyholders appointed above.

2. VOTE DIRECTED. If you wish to direct specific numbers of votes to specific nominees, either within the Board of Directors' slate or among the listed independent nominees, write the number of votes you wish to give to each nominee next to that nominee's name. If any of the following nominees withdraws or for good cause will not serve, his or her directed votes shall not be redirected to any other candidate. These directed votes will remain with each named nominee or write-in candidate for whom such directed votes were cast.

QUORUM ONLY. If you wish to withhold authority to vote for any nominee your proxy will be counted for quorum purposes only. If you check this box, no nominee will receive any of your votes, unless you have also checked the discretionary voting box or cast directed votes for one or more nominees; in that case, the Inspector of Elections and Voting will assume that you intended to vote for those nominees indicated. If you check this box do not fill in any other boxes, but please remember to sign the other side of this proxy.

BOARD OF DIRECTORS' NOMINEES

The Board of Directors endorses the following slate of nominees. You may vote for these nominees using either discretionary voting by checking box 1 or by directed voting below. *Note: If you checked the "VOTE DISCRETIONARY" box above, you should not write in the number of votes.*

Nominee	Number of Directed Votes
Patrick M. Anderson	_____
Joseph Deinmert, Jr.	_____
Clarence Jackson, Sr.	_____
Carlton R. Smith	_____

Independent Nominees

The following nominees are independent candidates; they are not endorsed by the Board of Directors. Vote directed only.

Nominee	Number of Directed Votes
Glenn Dailey	_____
Thomas G. (Tommy) Dalton	_____
Patrick Gardner	_____
Mary E. Guthrie	_____
Jackie Milonich Guzalek	_____
Carroll J. Hamley	_____
Jack D. Hanke	_____
Joan Marie Mantei	_____
William M. Micklin	_____
Richard J. Rinehart, Jr.	_____
John E. Walker/Mounts	_____

1 SHAREHOLDER RESOLUTION: "LEFTOUTS"

RESOLVED, that the Articles of Incorporation shall be amended as stated in the Proxy Statement to provide for the issuance of 100 shares of common stock to eligible individuals who qualified for enrollment to Sealaska Corporation on December 18, 1971, but who did not enroll at that time.

- A "Yes" vote is in favor of the amendment.
- A "No" vote is against the amendment.

YES NO

The board recommends a "YES" vote for the amendment. If this proxy is validly signed and dated and neither of the above options is marked, the proxy will be voted "Yes," for the resolution.

2 SHAREHOLDER RESOLUTION: REMOVAL OF BOARD

RESOLVED, that the entire board of directors of the corporation shall be removed.

- A "Yes" vote is in favor of removal.
- A "No" vote is against removal.

YES NO

The board recommends a "NO" vote against the resolution. If this proxy is validly signed and dated and neither of the above options is marked, the proxy will be voted "No," against removal.

IMPORTANT - PLEASE COMPLETE OTHER SIDE

PLEASE FIRST COMPLETE OTHER SIDE

3 **ADVISORY RESOLUTION: DISCRETIONARY VOTING**
RESOLVED, that Bylaw Section 3.3.14 be amended to provide for discretionary voting for independent nominees whose names appear on the corporation's proxy, and who are not affiliated with any slate of candidates.
• A "Yes" vote is in favor of the amendment.
• A "No" vote is against the amendment.
 YES NO
The board recommends a "NO" vote against the amendment. If this proxy is validly signed and dated and neither of the above options is marked, the proxy will be voted "No," against the resolution. This resolution is advisory.

4 **ADVISORY RESOLUTION: BINDING VOTE BYLAW**
RESOLVED, to amend Bylaw Section 2.13.5 to provide that resolutions not submitted by the board of directors shall be binding unless the resolution concerns matters which can only be voted upon by the board of directors.
• A "Yes" vote is in favor of the amendment.
• A "No" vote is against the amendment.
 YES NO
The board recommends a "NO" vote against the amendment. If this proxy is validly signed and dated and neither of the above options is marked, the proxy will be voted "No," against the resolution. This resolution is advisory.

5 **ADVISORY RESOLUTION: INCREASE BOARD TO 18 MEMBERS**
RESOLVED, to amend Bylaw Section 3.1 to provide that the business, affairs and property of the corporation shall be managed by a board of directors composed of eighteen (18) members."
• A "Yes" vote is in favor of the amendment.
• A "No" vote is against the amendment.
 YES NO
The board recommends a "NO" vote against the amendment. If this proxy is validly signed and dated and neither of the above options is marked, the proxy will be voted "No," against the resolution. This resolution is advisory.

6 **ADVISORY RESOLUTION: HOMESITE DISTRIBUTION**
RESOLVED, that Sealaska Corporation make a homesite distribution pursuant to 43 USC 1620(f).
• A "Yes" vote is in favor of the resolution.
• A "No" vote is against the resolution.
 YES NO
The board recommends a "NO" vote against the resolution. If this proxy is validly signed and dated and neither of the above options is marked, the proxy will be voted "No," against to this resolution. This resolution is advisory.



SEALASKA CORPORATION PROXY

My telephone number:
 Enrollment number:
 Shares:

Signature _____ Dated _____, 1995

As custodian for _____
(Minor's name if applicable)

Witnesses are necessary only when a shareholder signs by marking "X." In such case, two witnesses must sign below.

(Witness, if necessary)

(Witness, if necessary)

Please sign exactly as your name appears above. When signing as custodian for a minor, executor, administrator, attorney, trustee or guardian, please give full title as such. For instance, if your name appears as "John H. Jones, Sr.," please sign "John H. Jones, Sr.," or if your name appears as "John H. Jones, Sr., as custodian for Harold Jones," sign "John H. Jones, Sr., as custodian for Harold Jones."

1995 SEALASKA CORPORATION PROXY

Alaskan State Legislators:

Happy New Year. We would like to welcome your return to Juneau and thank you for your insightful sense of justice and concern over 1995's HB251 "An Act relating to the meetings, shareholder proposals, and removal of directors of Native corporations."

The confrontation is difficult for those wishing that issues going to a vote be thoroughly perceived. Legislators willing to truthfully understand issues make the struggle for justice and survival less intense where large portions of the Native way of life are being forced into extinction through indirect methods.

There was no documentation that the corporations communicated their interest in the bill to the shareholders. HB251 was not only about dissident shareholders, but would have disallowed any voice effectiveness for all Alaskan Natives in the state - this the bill did not come right out and state, nor was it's true implications told to shareholders anywhere else.

The long-term effects of the bill were extremely difficult to convey to legislators in the short amount of time provided through lobbyists granted a minimum

amount of hearings on a 'fast track.' Few would stop to listen to the issues. The bill was ultimately brought to a stop due to the kindness and generosity of one Senator in the position to act on his understanding of the significant detrimental effects of HB251 in the lives of Alaskan Native people: Senator John Torgerson.

This bill left the feeling of hard core betrayal in the Native people last year - a turning tide because many younger generation shareholders have more modern education. The strength of the younger Natives willing to help the elder Natives contest issues that may be in conflict with their real and immediate needs in present day America is often the only channel the Native elder have to address their pressing issues in the face of the near-extinction of their cultures.

Voices of shareholders need to be continually heard because the Native corporations have not accomplished the more apparent goals laid out in 1971's ANCSA: Land to subsist on and funds to continually carry on for generation-to-generation active traditional Native heritage - the wish of every one of Alaska's old Alaskan Native people. This was perceived as ANCSA's true intent,

as told to each of them in 1971.

The Sealaska Corporation shareholders have never been openly invited by the corporation to subsist on the land, and they have seen less and less of their traditional foods on their dinner tables - this is a situation ubiquitous throughout the state. A large percent of the timber is simply cut down and sold away, leaving only water and fishing to be subsisted on should Sealaska openly make subsistence land available to the Natives collectively - something that should have happened 25 years ago.

There is no way to thank those involved enough for a vote or informed concern that ultimately protected the helpless Native elderly in their ability to make decisions within the Native corporation structure -- already extremely difficult and riddled with complex procedures -- all which have caused them to be able to accomplish very little (if anything).

What you have done for all Alaskan Natives, by taking a well-informed look into the issues behind this bill, is prevent them from living under deleterious hardships for following years to come. For your efforts you have our genuine thank you.

Special Thanks To

**1996
Alaskan State Legislature**

*Senator John Torgerson
Senator Robin Taylor
Representative Alan Austerman
Representative Tom Brice
Representative Kay Brown
Representative Kim Elton
Representative Dave Finkelstein
Representative Ben Grussendorf
Representative Gene Kubina
Representative Jerry Mackie
Representative Terry Martin
Representative Beverly Masek
Representative Mike Navarre
Representative Scott Ogan
Representative Caren Robinson
Representative Ed Willis*

***Alaskan Natives Welcome
And Thank You***



*And all those who have
helped in any way.*

***For More Information Contact:
Box 34711
Juneau, Alaska 99803-4711
(907) 586-3506***

All Questions Welcome

September 9, 1995

Senator John Torgerson
145 Main Street Loop, Suite 226
Kenai, AK 99611

*file
#2257*

Dear Senator John Torgerson:

I want to thank you for the generous time you took to talk with me here in Juneau. I have done nothing but feel better ever since. I was having a real hard time when that bill's destiny was more uncertain to me. Because of the older Alaskan Natives, I would think and think about it, and in a very troubled way stir over it.

I remember that you said you might put something into the letters to the editor before you scheduled a hearing in the coming months. I told you I had the Southeastern newspapers' addresses and that I would send that to you. These little towns have a lot of Natives in them, but don't always get the benefits of knowing first hand news. I thought it might prove helpful to you so wanted to send it to you. I will wait to hear when you plan to schedule a hearing so I can try and get some good testimony from the people in the area into the hearings.

I hope that you are doing good and not working too hard. I know that your job has got to be hard. I hear you may be going to D.C. late September to help lobby regarding opening ANWR. I hope your trip is a good one. If you are in the area and would like to go to lunch or talk again some time on the Native bill - please feel welcome to call.

I must thank you again for your kind gesture towards the Alaskan Natives, for in this, you have been kind to everyone. I will never forget your kindness, never. If you ever need any help in any area with anything, please, feel free to call or approach me. You are always welcome for I think of you warmly as my own friend.

I hope to hear from you.

Sincerely,

Joan Mantei

Joan Mantei
Box 34711
Juneau, AK 99803-4711
463-7126-w Tu-Fr 586-3506-h

SOUTHEASTERN ALASKA, AND A COUPLE NORTHERN, NEWSPAPERS

SITKA SENTINEL
112 BARRACKS
SITKA, AK 99835

SKAGWAY NEWS
BOX 1898
SKAGWAY, AK 99840

CHILKAT VALLEY NEWS
BOX 630
HAINES, AK 99827

ALASKA NATIVE FOUNDATION
BOX 100278
ANCHORAGE, AK 99510

PETERSBURG PILOT
BOX 930
PETERSBURG, AK 99833

NEWS-MINER - FAIRBANKS DAILY
200 N. CUSHMAN
FAIRBANKS, AK 99701

WRANGELL SENTINEL
BOX 798
WRANGELL, AK 99929

FAIRBANKS NEWS AGENCY
307 LADD AVENUE
FAIRBANKS, AK 99701

KETCHIKAN DAILY NEWS
BOX 7900
KETCHIKAN, AK 99901

PENNINSULA CLARION
BOX 3009
KENAI, AK 99611

ISLAND NEWS
BOX 19430
THORNE BAY, AK 99919

CAPITOL CITY WEEKLY
~~BOX~~ 8365 OLD DAIRY RD.
JUNEAU, AK 99801

ANCHORAGE DAILY NEWS
BOX 149001
ANCHORAGE, AK 99514-9001

THERE IS 2 FOR MASEK'S AREA:
WILLOW NEWS???
FRONTIER??? CALL DIRECTORY

JUNEAU EMPIRE
3100 CHANNEL DRIVE
JUNEAU, AK 99801

STATE ATTORNEY GENERAL
AMERICAN CIVIL LIBERTIES UNION
BOX 201844; ANCHORAGE, AK 99520

276-2258

465-2520
258-0288

AGENCIES, PHONES, & FAXES

<u>AGENCY</u>	<u>PHONE</u>	<u>FAX</u>
ALASKA LEGISLATURE	465-4648	
DAVID CASE	276-5152	
LLOYD MILLER	258-6377	
ANCH. AK LEGAL SERVICES	276-6282	
AK NATIVE JUSTICE CENTER	265-5971	265-5990
INUIT CIRCUMPOLAR CONFERENCE	563-6917	562-0880
CALEB PUNGOWIYI (PRESIDENT) 3201 C STREET, STE. 608; ANCHORAGE, AK 99503		
WORLD COUNCIL ON INDIGENOUS PEOPLES		
SENATOR MURKOWSKI		202-224-5301
TED STEVENS		202-224-2354
LUCY FOR THE ABOVE (9TH FLOOR FEDERAL BUILDING)		586-7402
SUBCOMMITTEE ON INDIAN AFFAIRS (FEDERAL)		586-7400
RFVERLY MASEK	465-2679	465-4822
(Her Willow Legislative Information Office where she is now working is tele. 376-2679)/ you can get her town newspaper names this way, please forward them to me if you do.		
ED SHANGIN (PRESIDENT/VILLAGE)	345-9027	345-9017
NATIVE AMERICAN RIGHTS FOUNDATION	276-0680	
KLAWOCK HEENYA (NATIVE CORP.)	755-2270	755-2966
TBS/TNT	404-872-1647	404-827-1511
ATTN: HEADLINE NEWS DESK		
OTHER CNN AFFILIATES		
KIMO-ANCH.	561-1313	561-1377
KTUU-ANCH.	762-9202	563-3318
KJUD-JUNEAU	586-3145	463-3041
KTOO-JUNEAU	586-1670	586-2651
ASSOCIATED PRESS		
JUNEAU	586-1515	463-3949
ANCHORAGE	1-800-770-7549	274-2189
SEATTLE	206-682-1812	206-621-1948
WARREN WILEY (FATS) KINY/KSUP	463-5054 OR 586-1800	
SITKA SENTINEL	747-3219	474-8898
112 BARRACKS; SITKA, AK 99835		
CHILKAT VALLEY NEWS	766-2688	766-2689
BOX 630; HAINES, AK 99827		
PETERSBURG PILOT	772-9393	
BOX 930; PETERSBURG, AK 99833		
WRANGELL SENTINEL	874-2301	874-2303
BOX 798; WRANGELL, AK 99929		
KETCHIKAN DAILY NEWS	225-3157	225-1096
BOX 7900; KETCHIKAN, AK 99901		
ISLAND NEWS	828-3377	828-3151 OR 828-3351
BOX 19430; THORNE BAY, AK 99919		
ANCHORAGE DAILY NEWS	257-4200	258-2157
BOX 249001; ANCHORAGE, AK 99514-9001		
JUNEAU EMPIRE	586-3740	586-3028
3100 CHANNEL DRIVE; JUNEAU, AK 99801		
CORNERSTONE (HAINES)	766-3141	
SEATTLE POST INTELLIGENCER	206-464-2121	464-2261
SKAGWAY NEWS		
FAIRBANKS NEWS	456-6661	452-7917

(1995) This was already done

HB251

Senator John Torgerson
Alaska Senate
145 Main Street Loop, Suite 226
Kenai, AK 99611

Senator Torgerson:

August 1, 1995

I am a shareholder of two ANCSA Corporations. I am writing in regard to **HB251(L&C)** This bill was passed by the House and will be voted on by the Senate in the 1996 Legislative session. HB251(L&C) violates the following US Constitutional Rights and US Federal Laws

1st VIOLATION: Page 3, line 14, 15, 16, 17,

"(o) A corporation that is organized under the act is not required to consider or submit to a vote of the shareholders a shareholder proposal that deals substantially with the same subject matter as a proposal that was submitted to a vote of the shareholders with the preceding year"

This Section of the Bill violates the US. Bill of Rights

No government in exercising powers of self-government shall.....**(1)** make or enforce any law prohibiting the free exercise of religion, or abridging the freedom of speech, or of the press **or the right of the people peaceably to assemble and to petition for a redress of grievances;**

2nd VIOLATION: Page 4, line 2, 3, 4,5, 6, 7, 8, 9, 10, 11, 12, 13, 14,

(e) If the administrator is informed that a person has engaged or is about to engage in an act or practice in violation of AS 10.06.960(m), AS45.55.139, or 45.55.160, and if the act or practice relates to a regular or special meeting of the shareholders of a Native corporation, the administrator shall.....

This section violates the 5th Amendment right to "DUE PROCESS" and ANSCA 7H CLAIMS ACT:

Prohibits any State or Territory under color of any statute, ordinance, regulation, custom or usage from treating ANCSA Shareholders differently than Non ANSCA shareholders.

If, the Senate passes this bill, they will have violated citizen's US constitutional rights and will be inviting a lawsuit at the State's Expense.

**The Code of the Laws of the United States of America
Title 42-The Public Health & Welfare**

Chapter 21. CIVIL RIGHTS

Section

§ 1983 Civil action for deprivation of rights

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress. For the purpose of this section, any Act of Congress applicable exclusively to the District of Columbia shall be considered to be a statute of the District of Columbia.

I'm confident that with this knowledge and verification from your legal council that you will see that this bill is rendered unconstitutional and will stop it from becoming law.

Sincerely;



Myrna Gardner
PO Box 256
Klawock, AK 99925
(907) 755-2265 wk
(907) 755-8800 fax

cc: Representative Jerry Mackie
Bruce M. Botelho, Attorney General, State of Alaska

May 30, 1995

Senator John Torgerson
145 Main Street Loop
Kenai, Alaska 99611

Re: House Bill (HB) 251

Dear Senator Torgerson:

On behalf of Kikiktagruk Inupiat Corporation (KIC), the Native village corporation of Kotzebue, I want to thank you for holding HB 251 in the Community and Regional Affairs Committee for further comment by the public.

In our view, public hearings are needed on HB 251 for additional comments from Native shareholders throughout Alaska. We would appreciate it greatly if you would consider holding such hearings before the next session of the Legislature, or at least before this bill is up for consideration again in the Community and Regional Affairs Committee that you chair.

Attached is a photocopy of a letter I wrote to Governor Knowles, which states KIC's position on this bill.

Thanks again for holding this bill, and allowing opportunity for further public comment.

Best regards,



Margaret Hansen,
Chair

cc: KIC Board of Directors

Attachment

The Honorable Senator Torgerson
State Capitol Building, Room 427
Juneau, AK 99801

Joan
Re: HB 251 - The Native Rights Bill

May 12, 1995

Honorable Senator Torgerson:

JM
I know that this session has been filled with so many complex issues. I would like to write a letter to you, for you to take with you this summer when you study HB 251 for whatever will become of it next session. It is long, but I think that the overall picture is so complex sometimes, and there are so many parts to it, each having difficult angles to them, that I would like to help you to understand some of the intimate issues as they exist for the Alaskan Eskimos, Aleuts, and Indians in regards to how many petitions some have received, and the similarity in the issues that the Natives find themselves faced with as they come into the awareness of the promises of the Claims Act, and what it did and did not settle for them. Really, the Natives feel predominantly helpless at the stake of the corporations, being allowed very little input. For one, they really feel like they own those corporations, and a lot of that comes from the nature of the establishment of the corporations.

What really bothers me, is very credible studies have been done on shareholders of the 213 Native corporations, and a book called *Village Journey*, by former British Columbia Supreme Court Justice Thomas R. Berger, can help you to see the forlorned testimony and organized recommendations gathered during his journey to sixty-two Native communities in village Alaska. The Natives have become disillusioned due to the inevitable residue of frustration, suffering and disappointment of being stuck with the unpredictable consequences they are suffering at the hands of strict corporate boards, that really seem to have come to with hold information and the land from the Natives.

The land is of which I am concerned, because my grandmother was a full-blooded Native woman, Athabaskan-Tsimshian, and was raised in the wild with her grandmother, a full-blooded Zitz Zaow (Tsetsaut) Athabaskan woman, and the remnant souls of her tribe, but she acquired 100 'ghost' Native corporation village shares. Her village, did not receive any land, but she ended up with only 100 shares in the Regional Sealaska Corporation as I have too. She had no land, and Indian language was her first language. There was not even anyone to speak her Indian language with. These people had their identity and way of life took from them when the Claims Act passed, devastated, they had everything taken from them. In situations where they just wanted to visit their Indian lands, there wasn't even a way provided by the Regional corporation to get them there. To this day, my grandmother and our whole family have received no land, and our people are now near-extinct having nothing to hold them together anymore. When you read what I quote below, you will understand why the Native people are haunted by the Claims Act and the strict businesses the corporations have turned themselves into.

My great-great uncle lived in a time where he freely fished and subsisted off the land as his people had from times immemorial. One day, the government told him he had to obtain permission to fish and use the land. He didn't understand. Well, I have the Appendix to the legislation on the Native Land Claims Settlement that was in principle favorably received by the legislature, and I dropped a copy by your office with Sandi, your kind assistant. This states some cultural information under the section, *Property Rights--The Underlying Fact* (521, 522):

"The Alaska Natives possess valid legal claims to most of the land in Alaska, claims of enormous value . . . Some land, which the Native people have occupied since time immemorial, would be retained by them . . . The Indian Claims Commission Act was a praiseworthy, though belated, attempt to remedy injustices which never should have occurred . . . S. 835 recognizes that to the Natives, land is a most crucial aspect of a just settlement. "Take our land, take our

life", summarizes their attitude . . . They would retain, therefore, only about 17 percent of the land to which they validly assert aboriginal title . . . the bill . . . would provide land upon which those Natives who wish to do so might continue to some degree their traditional way of life . . . The longstanding legal principle on Indian land is that Native title includes *all* of the rights to the land involved, not merely the right to use of the surface for subsistence . . . It must never be forgotten that Alaska is the homeland of the Native people . . . Racial equality is not promoted by depriving Indians, Eskimos, and Aleuts of title to their lands. That would leave them segregated but landless, with no resources. Meanwhile, others, without payment, would succeed to what was once the Natives'. Land is the foundation of culture . . . The Natives of Alaska, the rightful owners of its land, are entitled to better treatment than to be deprived of practically all of their land, and of their culture, upon the excuse that such deprivation is required in order to prevent enforced separation of the races."

In the Alaska Native Claims Settlement Act itself (Public Law 92-203 92nd Congress, H. R. 10367 12/18/71), it states in Section 2.(c):

"no provision of this Act shall replace or diminish any right, privilege, or obligation of Natives as citizens of the United States or of Alaska, or relieve, replace, or diminish any obligation of the United States or of the State or Alaska to protect and promote the rights or welfare of Natives as citizens of the United States or of Alaska . . ." and goes on to say in Section 7.(h)(1):

"Except as otherwise provided in paragraph (2) of this subsection, stock issued pursuant to subsection (g) shall carry a right . . . and shall vest in the holder all rights of a stockholder in a business corporation organized under the laws of the State of Alaska . . ."

I am wondering if HB 251 is in fact amending a Congressional order to better the welfare of the Natives, to be unduly restrictive to them. I believe Congress wanted them to be treated fairly, not held hostage by a corporation board. Now, I use the word hostage because of my understanding of the strange provisions within the bill itself, and also because my job was just contacted by Robert Loescher, Sealaska Corporation's Vice-President, in which he stated that I had been at the Capitol during my working hours. Mr. Loescher made this contact a couple days after the Juneau Empire printed that Mr. Knowles did not like HB 251 because of unachievable provisions in it. HB 251 has specific extractions from Sealaska Corporation's HB 501 introduced last year by Representative William Williams. I explained to my boss that I had not been at the Capitol during my working hours. My boss confronted me Tuesday, May 9th, and inquired to this effect. I told him that I work only four days a week (and I do) and that I had been on annual leave all last week (and I was). I had seen Bob Loescher at the Capitol in the earlier stages of HB 251, and Sam Kito, Sealaska Corporation's Chief Lobbyist. But, I have not seen Bob in quite awhile, but I have seen Sam at the Capitol a lot. I believe that I was kind of being stalked, and our honesty began to be resented, thus the attempt to use my boss to stumble me took place. I also wonder at the sincerity of those introducing the bill. I sent the attached letter to Bob Loescher certified mail May 10, 1995, and a copy to Sam Kito.

People simply want their land and their Native way of life to survive, their culture. The corporations tell us things like, "Can you imagine giving land to 16,000 Natives?" Sealaska Corporation has 15,812 Natives, and they were given enough land for the Natives to live on and have subsistence, and an economic base too, but the corporation never did their job administering that settlement under the guise of the kind intentions Congress spoke of. There was a lot publicized on the Natives themselves getting land around the time of the Claims Act, and I have not met even one that did not believe they were to receive land for subsistence and for the Native way of life. There is no land for us for subsistence, anywhere. In Sealaska Corporation, they are just selling the trees and holding the land away from us.

So, they say they are having frivolous and repetitive petitions, and HB 251 is their answer. I disagree. The Native people are experiencing a breaking down of their familial and

cultural fiber, and only a little over 9,000 vote out of Sealaska's 15,812 Natives. It is impossible for us to change the board's direction when it takes, according to State Law, half of the total 15,812 shareholders + 1 to force change, while most continue to vote discretionary because they do not understand. That is 7,906 needed for any change. The requirement ideally should be an achievable amount of half plus one of those that voted at the last meeting, but it is not.

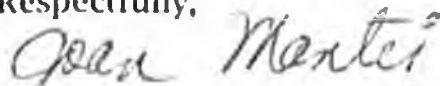
There should be a way devised for two-way communication, instead of only the corporation board managements getting some restrictions placed on upset shareholders that are frustrated with the un-hearing corporation. Any restrictions the corporation managements put on the Natives, serves to stir more resentment, and the Natives take these restrictions as harsh segregated treatment - a stealing of their Claims Act, which they were after re-obtaining in the first place. The land is gone for them, the managements took it. There is no relationship between the corporations and the Natives. The Natives also cannot force their say in decisions in the corporation due to the cumbersome impossible laws that exist for them to steer it, and Sealaska Corporation refuses to send full-honest questionnaires to each and every shareholder in the election packets, which allows them to participate in the decisions of the corporation. I have the original bylaws of the corporation, and the version used today. You wouldn't recognize the first version, but was I allowed to change these? Never have been. Why do they fight criticism instead of willingly acting out of kindness and goodness, with the promises of the Claims Act? I believe it is money and power. Sealaska seems to have turned into a political institution only - I can't believe how out of touch they are with the Natives, and they seem to even claim we are in the minority when we want the things of the Claims Act. It blows me away.

Senator Torgerson, I would like to help you to try and devise a two-way working solution, and not just severe restrictions upon the Natives like HB 251 provided. I am available during the session break any time you would like to call me even before it ends if you wanted, and I really want to help. I will keep on trying to hear models of how a fair-minded, kind, two-way communication and resolution process can be devised for the 70,000 Natives and I will ask around for sincere ideas. But, there is so much lost faith, dissatisfaction, and disillusionment with the corporations that it is difficult. Even the children that knew the languages have been forced to forget them with no institutions to keep the language perpetuating. The Native people are angry, they are tired of watching their old die without the promises of the Claims Act. Their culture is dying, and so are their people without common land to hold them together in tribal life. My own grandmother's tribe is now truly near-extinct. She was the oldest living member when she passed away in 1993. These people are oppressed, tired out by years under the un-hearing managements.

Please let me know some of the things that you think of to do. I am really interested in helping, staying involved, building on ideas, and in hearing your good ideas and your plans. I will make myself available to you at all times, and evening times are best for me to talk with you after you leave town when the session ends. I am at 586-3506, and I welcome you to call me. Thank you for taking a look into the bill, and not rushing and oppressing us as the Labor and Commerce Committee did to us. I have never been through anything so horrifying, and so terrible. They had me crying at night pretty hard. It was so bad, it really broke my heart. It changed my relationship to Sealaska Corporation forever.

I am sorry this is so long, I felt a more personal look might help you with your investigation. I hope that I have been of some help to you.

Respectfully,



Joan Mantei, Sealaska Shareholder

Box 34711
Juneau, AK 99803-4711
907-586-3506-h/463-7351-w

Re: HB 251 - Relating To Native Corporation Shareholders Coming Your Way

May 11, 1995

Dear Senate Community & Regional Affairs Committee &
Senate Rules Committee:

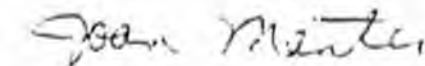
I was given some APOC committee member donation records without asking for them, but nonetheless, I am concerned about what will take place in a situation where the Senate may vote on this bill. It was a bad experience what just took place regarding the House of Representatives, in that they rushed this bill so that no one could explain to them in a way they would absorb and understand the severeness of the provisions. We were excluded from the Labor & Commerce Committee meeting, that amended and decided to pass the bill out of committee, and that was the only committee allowing public input. It had been tabled on a Monday, and on Wednesday, L&CC passed the bill out. There were many of the Representatives that would not listen to the issues at all. Representative Jerry Sanders stated that the Natives just did not have the votes of the House, so he wasn't going to vote for the Natives just to make everyone angry when it wasn't going to do any good for him to vote for the Natives.

The money from the Claims Act was to be for them, and used for them and not legislation to single them out or put restrictions upon them, and I consulted with Larry Carroll, of Bankings & Securities on ANCSA Section 6(b) and how it relates to the law now. Mr. Carroll stated that stands as law now where ANCSA states that "None of the funds paid or distributed pursuant to this section to any of the Regional and Village Corporations established pursuant to this Act shall be expended, donated, or otherwise used for the purpose of carrying on propaganda, or intervening in (including the publishing and distributing of statements) any political campaign on behalf of any candidate for public office. Any person who willfully violates the foregoing provision shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than \$1,000 or imprisoned not more than twelve months, or both."

This is such a sensitive issue, and when I reviewed the APOC records of \$23,000.00 in donations the Native corporation Cook Inlet Region, Inc. had given to those decision makers at the Capitol in just 1994 (attached), I realized there may have been another outside reason the House of Representatives would not hear our issues. Republican House and Senate members were given \$1,000.00 donations, with democrats given \$250.00 donations. According to APOC records, Sealaska Corporation and Klukwan, Inc., always sistered donations in equal amounts to each person they wanted to which already held office, or was headed there. HB 501 was a longer version of 251 last year, and there were many donations flooded by these corps into those in Capitol offices then too.

I would like to officially request you to be fair to the 70,000 Alaskan Natives in spite of the overwhelming amounts of money given by Sealaska Corporation, Cook Inlet Region, Inc. (CIRI), and Klukwan. Now Bob Loescher of Sealaska Corporation, and their chief lobbyist, Sam Kito, along with Bill Thomas, Klukwan, Inc., board member, all attended the hearings on HB 251 (and of course Roy Hundorf of CIRI with their chief lobbyist, Ashley Reed). I seen very poor Natives testifying to the effects of lost culture, loss of their people and Indian lands, speaking of depression suffered due to the Claims Act, and then I seen some very rich individuals, those listed above, appearing to want to take away the rights of the less fortunate, those without the resources or political force these corporate leaders held in magnum. I am not happy with this situation and ask that you use caution when stepping out to take a part in removing the rights of a minority group and granting favors to those in control of corporate assets, that were designed to benefit the poor economic position the Natives were and are in.

Copies of APOC records attached



Joan Mantei
Box 34711
Juneau, AK 99803-4711
586-3506-h 463-7351-w

cc: Alaska Civil Liberties Union
Alaska Native Foundation
Native American Rights Foundation

Basically Ciri donated to pass the bill to death

THE FOLLOWING DATA IS ON FORMS FILED WITH THE ALASKA PUBLIC OFFICES COMMISSION, ANCHORAGE, ALASKA. THIS IS PUBLIC INFORMATION.

POTLATCH PAC (CIRI)
EXPENDITURES AND INCOME FOR 1994

DATE	TO/FROM	CK NO.	EXPENSE	INCOME
4/8/94	JIM KUBITZ-MAYOR	238	\$250	
4/15/94	CIRI			\$10,000
5/9/94	MYSTROM-MAYOR	239	500	
6/27/94	JIM CAMPBELL	259	1,000	
6/27/94	KNOWLES-GOV	260	500	
7/20/94	RICHARD FOSTER	261	250	
7/20/94	IVAN IVAN	262	250	
8/8/94	STATE OF AK - FINE	263	10	
8/17/94	EILEEN MACLEAN	264	250	
8/23/94	PETE KOTT	265	250	
8/31/94	LARRY BAKER	266	1,000	
8/31/94	MIKE NAVARRE	267	500	
9/9/94	PEAK OILFIELD SERVICES (CIRI)			\$10,000
9/9/94	CONSTRUCTION MACHINERY INC. (CIRI)			5,000
9/15/94	GAIL PHILLIPS	268	1,000	
9/15/94	GARY DAVIS	269	1,000	
9/21/94	AMA PAC (AK MINERS ASSN)	270	100	
9/21/94	SENATE REPUBLICAN LEADERSHIP COUNCIL	271	2,500	
9/21/94	AL VEZEY	272	1,000	
9/29/94	TIM KELLY	273	1,000	
9/30/94	MIKE NAVARRE	274	250	
9/30/94	SUZANNE LITTLE	275	200	
9/30/94	MIKE MILLER - LT GOV	276	1,000	
10/10/94	CAPT COOK HOTEL-FUNDRAISER BEV MASEK	277	491.62	
10/11/94	LYDA GREEN	278	500	
10/12/94	MACKIE - HOUSE	279	500	
10/13/94	DRUE PEARCE	280	500	
10/13/94	DRUE PEARCE	281	500	
10/13/94	CYNTHIA TOOHEY	282	250	
10/13/94	ROKEBURG	283	250	
10/13/94	RICHARD FOSTER	284	250	
10/14/94	EILEEN MACLEAN	285	500	
10/14/94	TONY KNOWLES	286	500	
10/20/94	GEORGIANNA LINCOLN	287	500	
10/25/94	ELDON MULDER	288	500	
10/26/94	FRAN ULMER - LT GOV	289	1,000	
10/26/94	RAMONA BARNES	290	1,000	
10/26/94	PAT RODEY	291	500	
10/26/94	JIM DUNCAN	292	250	
11/3/94	DALE WUNDERLICH	293	200	
11/9/94	ALAN AUSTERMAN	294	500	
11/9/94	ROBIN TAYLOR	295	500	
11/22/94	ROKEBURG - HOUSE	296	250	
11/22/94	ROKEBURG	297	250	
11/30/94	STATE OF ALASKA - FINE	298	300	
12/1/94	JUDY SALO	299	250	
12/16/94	FRED ZHAROFF	300	250	
12/30/94	RICK HALFORD	301	250	

23,551.62

Confidential

May 9, 1995

*This is a type
of a stalking -*

Robert Loescher, Vice President
Sealaska Corporation
One Sealaska Plaza, Suite 400
Juneau, AK 99801

Dear Mr. Loescher:

Today, I was approached by my boss, and asked about the hours of my involvement at the Capitol Building, as a matter of an inquiry made on your part. I will respond directly to you as to whether I had been at the capitol during working hours. I began my employment at Tlingit & Haida on January 11, 1995. I was a bit embarrassed by your probe to my new boss, in that I am a responsible 33 year old, and have begun a new job. I was very honest with Mr. Thomas, and cordially voiced my concerns over the vice president of our Native corporation contacting my place of employment, as a matter of being a shareholder.

To further avoid having to entreat the kindness of Mr. Thomas, I felt that it would be better if I documented the situation for you directly.

I work four days a week. I was on annual leave all last week. I will try and state my position as kindly as I can, having a history of knowing you through the landless office. I have always been grateful for what has taken place regarding the landless. I must however tell you, that everything I am about is above board, and HB 251 has my entire family upset, and I feel something of a more cruel nature is going on behind this bill. It has caused my friends, my family, and I great anguish. I do not see any provisions, whatsoever, being made for the old, the poor, those not politically powerful, affluent, or having the opportunities. I have experienced quite a bit of personal anguish over the treatment all Alaskan Eskimos, Aleuts, and Indians are receiving in this bill. It changed my perception of our Native corporation forever. My aunt, Sharon Kristovich, could not believe that this could even take place. She laughed, 'They can't do that.' I told her, 'But, they are.' She then repeated herself, as though the confidence of her intelligence would take care of everything. There is a feeling that this bill is so highly discriminative towards a race of people, that it just cannot be so.

Our children that did speak our Indian languages, have been forced to forget them, having no institutions for the languages to survive. The cultural aspects of Alaskan Natives have largely been absolutely left behind. HB 251 prevents our old from accomplishing the dreams of ANCSA, and likewise the generation after them. It is not simply a 'money' bill, it is a cultural barricade for those that hold onto the promises of ANCSA.

It is not my understanding that I have done anything destructive, nor that anyone has a right to make me feel uncomfortable where I work. I have come forward with a clean heart, and I am a very open person - if I am required to pay cost for that, then so be

TONY KNOWLES, GOVERNOR

DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES AND CORPORATIONS

P.O. BOX 11667
JUNEAU, ALASKA 99811-0807
Banking & Securities (907) 465-2521
Corporation Section (907) 465-2530

TELEPHONE (907) 583-2161
FDD: (907) 465-5437

May 9, 1995

VIA FAX
586-8970

Ms. Joan Mantei
c/o Project Head Start
Juneau, AK 99801

Dear Ms. Mantei:

This will acknowledge receipt of your May 4, 1995 correspondence which requests the answer to certain specific questions relative to the proxy process under the house passed committee substitute for House Bill 251, and the current law.

As you are aware, I have already asked that the department's official position paper on the CS for HB 251, which recently passed the house, be forwarded to you.

I will attempt to answer the specific questions that you have posed in your correspondence in hopes that this will help clarify the matter for you.

Your first question was, "Has any board or director ever been recalled in the history of the Alaska Native Corporations existence under corporate code?" Please be advised that to the best of our knowledge, no recall effort has been successful. It is, of course, possible that a recall undertaken in a smaller village corporation that does not report to this office may have been successful and we are simply not aware of it.

Your second question requests a short form itemization as to the process that Alaska Natives must follow to recall a board member assuming that CS for HB 251 is enacted by the legislature. I have enclosed, herewith, a copy of Alaska Statutes 10.06.463 which discusses court removal for cause and is self explanatory.

Your next question seeks clarification as to who will determine whether there is merit cause as described by the parties. The court will make a determination based on the facts before it.

As to the question concerning definitions of recklessness or theft, I believe that these terms are probably somewhere described in the criminal or civil code, but I am not sure as to the application with respect to AS 10.06.463 other than common case law.

Your next question asks how long do we have to wait on the Superior Court rulings in order to remove a board member or not. This will be determined

Ms. Joan Mantei

-2-

May 2, 2008

by the court after hearing the evidence. If the evidence is very persuasive and the alleged acts are very egregious, the court may well act decisively.

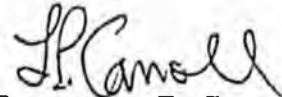
Yet Superior Court ruling criteria does not fit the native's land & cultural pursuit needs. (The promises of ANCSA)

You should be aware that all disputes arising out of Title 10.06 governing business corporations are subject to private rights of action. This division would not be involved in any dispute resolution or complaint arising from requirements found in Title 10.06 of the proposed legislation.

Finally, you asked whether or not a petition in process, or existing prior to the enactment of CS for HB 251, would be valid. The answer is the existing law would dictate and as the existing law provides for the petition process, then such petition would be valid if it meets the conditions of the existing code.

I hope that the information provided herein is responsive to your needs and that you will not hesitate the department if we may offer any further information or assistance.

Yours very truly,



Lawrence P. Carroll
Senior Securities Examiner

LPC/cw212.bsc
050595c



KIKIKTAGRUK INUPIAT CORPORATION 373A Second Avenue • P.O. Box 1050 • Kotzebue, Alaska
(907) 442-3165 • Fax (907) 442-2165

FAX COVER SHEET
FAX:907-442-2165

OF PAGES 2

TO : Sen Torjman ATTN: Mary
FAX # : 465-4779
FROM : Willie Goodwin DATE: 5/11/95

RECEIVED
MAY 11 1995
Ans'd
TIME: _____

THIS IS A:

MESSAGE:

- FAX LETTER
- QUOTE REQUEST
- PURCHASE ORDER
- COPY
- CONFIRMATION
- ADD'L INFO CONCERNING

FYI

ACTION REQUIRED:

- CALL ME UPON RECEIPT OF FAX
- FAX YOUR REPLY
- ENTER THIS ORDER
- CALL IF YOU HAVE ANY QUESTIONS
- NO RESPONSE REQUIRED

TIMETABLE:

REPLY:

- URGENT/RUSH
- ASAP
- TODAY
- THIS WEEK
- BY _____

**CSHB 251 (L&C)
TABLE OF CORPORATE VARIANCES**

**ALASKA CORPORATION CODE
AS 10.06**

SUBJECT	ANCSA CORPORATIONS	ALL OTHER CORPORATIONS
Number of shareholders required to petition for a special meeting.	500 or more shareholders 15% Less than 500 shareholders 25%	10%
Amount of time required to secure signatures and present petitions.	180 days	NO TIME LIMIT
Prefile petition & material with corporation.	Prefile, with corporation, petition and all materials to be used in a solicitation	NO FILING OF ANY KIND REQUIRED
Provisions of <u>AS 10.06.460</u> (1) Removal of directors. (2) Inclusion of recall resolution at annual meeting	(1) Shareholders could <u>NOT</u> remove directors without a finding of CAUSE (2) Shareholder could <u>NOT</u> submit a recall resolution to be considered at the annual meeting. <u>(It is the position of the department that these provisions are excessive and must be eliminated.)</u>	(1) DIRECTORS CAN BE REMOVED WITHOUT CAUSE (2) A shareholder can submit a recall resolution to be considered at the annual meeting.
Limit on subject matter to be submitted to a vote.	Corporation is not required to consider a subject that has been submitted to a vote within the preceding year.	NO LIMITATION
Another major difference with ANCSA stock but not part of CSHB 251		
Character of shareholder's stock.	ANCSA stock is inalienable and can not be sold, pledged, or otherwise encumbered.	NO STATUTORY RESTRICTIONS

Prepared by the DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT May 10, 1995

MAY-10-1995 17:38

P.02

Dear Legislator,

John Ferguson

May 10th, 1995

I can only state how disappointed I am that you would pass such an oppressive bill, HB 251 is against the shareholders of the 13 ANCSA regional corporations. It's been further observed that there is a deliberate effort to conceal from the people of district #37 and every other district the ownership share the residents of each district have as citizens in the 1959 Alaska Statehood Compact! This would mean more for our original inhabitants outside of what was obtained within the 1867-1972 ANCSA ACT! It is "more" of what is already there's. Why has there been no solicitation or opportunity to comment or take part in any of the due-process that was to be afforded all natives in district #37 by their representatives Eileen MacLean and Al Adams? People born in district #37 which is the north and northwest arctic coastline primarily with Inupiat Eskimos, have not had the opportunity to voice their opinion or express their desired will on where the 90% revenue base share off "all" federal lands in Alaska, why? Where has it gone? Why can't the people here be allowed to comment?

When my sign at Ipalook Elementary on 2/24/95 stated what it did I was the only one reminding people that this lawful entitlement was there! It's been preserved for over 36 years..... yet, is now under direct "attack" as others "outside" the State of Alaska's borders are laying claim to it. This is the most pressing unfinished business of all Alaskan natives, to include those born in this State between 1959-1995! Isn't anyone going to speak for the children? Or those between the ages of 36 and 1 year old? Why should the people of district #37 lose their (2nd portion) birthright-inheritance "claim" set up for all Alaska's residents from 1867-1959! This most definitely included the Eskimo peoples of this region and all original inhabitants of the new State!

Admitted or not.... I wrote both Rep. Eileen MacLean, Mayor Don Long and the ASRC board about this matter of great wealth owned also by the people here. The "reaction" was clear! House Bill #251 was passed making it more difficult for ASRC shareholders to question "or" bring into account any of the "few" ANCSA boards into account to their shareholders. This was because of my ad and letters. The people were asking about their (2nd portion) birthright-inheritance claim! It belongs to you and has been safe for 36 years until recently. "Theft" of this 90% provision is just about complete. Native Alaskans in others regions and election districts of the State also haven't been able to voice their will or desire at all! Just like the Inupiat of "Utkeagvik" have not been able to find out more from their corporations, participate in due-process, have a comment period or input. Isn't anyone going to ask why?

After watching this for over 17 years, I can tell you it is "theft"! The federal government wants instead of 10%, "all" 90% that belongs to the people. How come the people of district #37 (NSB) have not been allowed to have a say with what in part belongs to them? Why is it being manipulated away from them so quickly?

Mayor Long was written on 3/20/95 Z205 183 307 yet he came out with a very shameful report on 4/14/95 as President of the Alaska Municipal League and had it printed in the North Slope Sentinel and Arctic Sounder. He did nothing but complain and bring back "feelings". He offered no solutions just embarrassment to the people of Barrow before all other cities and boroughs of the State why? Rep representative Eileen MacLean did the same shameful thing in her article dated 4/6/95 in the Arctic Sounder. I've enclosed both articles.... It appears to almost be the same "scriptwriter" and perhaps was? Both Don Long and Eileen P. Maclean do nothing to inform the people of ASRC, district #37, NWAB, NSB and the City of Barrow of their ownership in this 90% why? At the same time they complain about revenue and attempt to "distract" the people that want answers! The City of Barrow was incorporated in 1959 as one of the State's "first" cities! According to the law the people here have a second portion birthright inheritance claim to the State. The Alaska Statehood Act inclusive of the 1959 Alaska Statehood Compact, which was a "covenant" entitled the people to a "90%" share of the revenue base off all federal lands in Alaska known as P.L. 85-508, (72 Stat. 339) (1958). Even after 36 years this "still" belongs to you but must simply be claimed before the "theft" of it is complete. It is yours by law! Those born here should especially have a say but have not been permitted..... why does our representatives "over-look" these things and not inform their constituents who are entitled to these benefits and provisions? On 3/2/95 in the Arctic Sounder Gov Knowles stated: "And one of those ways certainly might be an income tax." Now why are the people in district #37 going to be taxed after the specific provisions for these governmental expenses have already been addressed? Why is the people's revenue base being "thefed" in exchange for a "tax" without any due process thanks to Al Adams, Eileen P. MacLean, Don Long and the ASRC Board? Please claim your portion now! There's no mistake this 90% is being "thefed" from you. The thing is they thought you wouldn't notice, they thought you'd think you were entitled to anymore, they frankly thought they could theft from you in secretly without someone "alerting" you! Time is of the essence now more than ever because of HB 251! "Defend your children's claim!" They own apart of this 90% and have for 36 years! Since 1959's Alaska Statehood Compact, this is apart of your families "covenant". ASRC and ANCSA boards are negotiating the shares away to the federal government and will not allow the young natives born between 1959-1995 to comment, "or" those native peoples within district #37 which are much older subjecting them to a tax and loss of 2nd birthright "claim".

Shareholders getting sheared

In the March 5 Daily News, Martha Upicksoun Feenstra spoke about "Alaska Natives don't need hush money." In the column she mentions CIRI but not Arctic Slope Regional Corporation, in which she happens to be a shareholder.

ASRC received "almost \$167 million from the NOL sales" (newsletter, Febru-

ary 1995). This would give me pause to wonder what their actually NOLs were. And under whose directorship they occurred. If I were on the board of directors, it would give me pause to wonder just how good the advice was that I was receiving from paid consultants. Yet, it is my understanding that very few, perhaps none, of the directors of these multimillion-dollar Native corporations have degrees in accounting, business or investment. Correction requested.

And now Rep. Eileen MacLean, (who just happens to be on the board of directors of ASRC), is co-sponsoring HB 251, to make it more difficult for shareholders to express their dissatisfaction. I looked into the possible charge of conflict of interest. As long as the person, Ms. MacLean in this case, has made it known that she is on the board of directors of a corporation affected by any legislation she is involved with, it isn't considered to be a "conflict of interest." How convenient! You shareholders in ASRC need to take notice.

There's an old, supposedly Jewish, saying that goes, "And the Lord made the

sheep to be sheared." All you shareholders say "baaa."

Bert Maupin

Average Daily News 5/3/95
... trust them with budget?

Republican legislators have little regard for rural Natives' welfare

It's a sad week in the legislature when Republicans are slashing rural programs and then joking about the high poverty rate among Alaska's Natives. Sad, but not surprising.

A representative from North

Pole's glib remark that indigenous (Native) people tend to be indigent (poor) made the House Judiciary Committee members laugh. It may have seemed harmless to urban Republican legislators who have good incomes financed by public dollars. But that laughter echoes beyond the walls of the Capitol. It haunts people who live in villages suffering from economic malnourishment, and it stands as a sorry testament to the lack of concern expressed in the budget recommendations emerging from the Republican leadership.

Let's face it. This is shaping up as a Legislature that is willing to hammer rural Alaska in the same casual manner as one member from the House Judiciary Committee's play on words. Whether it's the education foundation formula or social service programs or staffing of state offices, rural cuts are easy to justify. State programs in the Bush are necessarily more costly and they serve fewer

people. When the squeeze is on, programs that are expensive per capita seem like the logical ones to dump. Conveniently, the per capita approach works in favor of urban interests every time.

Never mind that those indigenous people out there "tend to be indigent," as a representative from North Pole said with a smile. When nearly 50 percent of the state's Native people live in poverty, there's a powerful reason to spend more or concentrate the state's resources on rural problems. It's called common decency.

That kind of decency seems to be in short supply here in the Capitol building. The Republican leadership may not applaud the notion that Natives are more than three times as likely to live in poverty as non-Natives. But by their words and their deeds, they're obviously a whole lot more likely to laugh it off than if it were their people suffering.

Rep. Eileen Pangeo MacLean

The Arctic Shounder 4/6/95 page 13
Time asked by the show indigenous activity
as the "attacks" but considers the 1995



Letter to the Editor

NORTH SLOPE SENTINEL, BARRROW, AK

(Underlined: NTA)

4/14/95

State implicated in local unrest over municipal tax hikes

Dear Editor
It is critical for communities to recognize the role that state government plays in increasing local taxes. It is likely that up to half of the property tax mill rate in many communities can be traced to state cuts to local government programs since 1986.

Since 1986, the state has cut the Municipal Assistance and Revenue Sharing Programs (the two main programs for sharing state oil revenues with municipalities) over 55% or about \$76 million. The negative impact of cuts to this program alone has been the equivalent of an increase of 2.0 to 6.0 mills of property tax in our communities.

Many businesses in Alaska are concerned over the steady rise in local taxes. Businesses are reluctant to locate or expand in a community with unstable taxes. More cuts to Municipal Assistance and Revenue Sharing and other traditional municipal aid programs, such as schools, are bad for business and bad for communities.

While cuts in Municipal Assistance and Revenue Sharing have had the effect of raising taxes in larger cities, the cuts have had a more devastating impact on smaller municipalities that lack a significant local tax base. This year five municipalities petitioned the legislature for the right to dissolve as cities. According to the state's Local Boundary Commission, many

more municipalities are in the process of considering dissolution. When a city dissolves, the state is obligated to step in and pay the cost of providing basic services to residents.

The state has also passed on significant new service costs to municipalities through budget pressure or administrative requirements to accept responsibility for state services and programs that were previously state responsibilities. Every state department has participated in this process to increase municipal responsibility for state road maintenance, environmental protection, prosecution of criminals, public health, inspections of food establishments, etc., without reimbursement. These new programs and services, in many cases,

have significantly increased the number of municipal employees and increased upward pressure on municipal tax rates.

As President of the Alaska Municipal League, a statewide organization representing cities and boroughs, I feel that it is time for our communities to speak with one voice in opposing further cuts to municipal aid programs. While we all need to work on making state and local government more efficient, local communities can no longer stand by and let state government balance its budget on the backs of local taxpayers. In fact, cutting municipal aid programs is not cutting the state budget, it is raising your taxes.

Sincerely, Donald Long,
President, Alaska Municipal League

Masek plea on ANILCA goes down



MASEK

JUNEAU—Voice breaking and with tears in her eyes, Rep. Beverly Masek peeled off her traditional Alaskan moose-skin dress and let it drop to the House floor. Beneath the dress was a Western-style skirt and blouse.

"I am an Alaskan, and I am a Native and I am an American," Masek said April 13.

A few minutes later, the freshman lawmaker saw her first piece of legislation voted down—a controversial resolution urging Congress to eliminate from the Alaska National Interest Lands Conservation Act the rural priority for subsistence hunting and fishing.

Masek grew up in Anvik but now lives in Willow. The former Iditarod musher is the Legislature's only Republican Native. Although she's among a handful of Natives in the GOP-led House majority, she's the only Native lawmaker who has sided with sport hunting and fishing groups in Alaska's bitter feud over subsistence.

For that, she has been scorned by her people and criticized by her own family.

Sport hunting and fishing groups have attacked ANILCA as discriminatory. But many Alaska Natives believe the federal law is one of the strongest protectors of their indigenous cultures.

Masek calls it a "destructive tornado . . . dividing the state into cultural zones."

She said she supports the subsistence lifestyle, but added, "I don't believe we should continue to think that we can go back to the past. We are in 1995."

Since introducing her resolution last month, Masek has faced a flood of criticism from across the Bush.

"All over my district, they've asked me what's wrong with her," said Sen. Al Adams, a Kotzebue Democrat. "What she's doing is wrong."

Masek said even her own brother showed up at a committee hearing last month to testify against her resolution.

"It saddens me to see that my own people think I'm a traitor to my culture," Masek said during her floor speech. "I'm devastated about that."

But Masek's symbolic disrobing drew even more ire from fellow Natives.

"That's what our people have been doing for years—taking off this, taking off that, not living the way that we want to live," said Rep. Bill Williams, D-Saxman. "Help us put back our clothes. Help us put back our feelings."



Letter to the Editor

NORTH SLOPE SENTINEL, BARROW, AK

(Underlined: *MA*)

4/14/95

State implicated in local unrest over municipal tax hikes

Dear Editor

It is critical for communities to recognize the role that state government plays in increasing local taxes. It is likely that up to half of the property tax mill rate in many communities can be traced to state cuts to local government programs since 1986.

Since 1986, the state has cut the Municipal Assistance and Revenue Sharing Programs (the two main programs for sharing state oil revenues with municipalities) over 55% or about \$76 million. The negative impact of cuts to this program alone has been the equivalent of an increase of 2.0 to 6.0 mills of property tax in our communities.

Many businesses in Alaska are concerned over the steady rise in local taxes. Businesses are reluctant to locate or expand in a community with unstable taxes. More cuts to Municipal Assistance and Revenue Sharing and other traditional municipal aid programs, such as schools, are bad for business and bad for communities.

While cuts in Municipal Assistance and Revenue Sharing have had the effect of raising taxes in larger cities, the cuts have had more devastating impact on smaller municipalities that lack a significant local tax base. This year five municipalities petitioned the legislature for the right to dissolve as cities. According to the state's Local Boundary Commission, many

more municipalities are in the process of considering dissolution. When a city dissolves, the state is obligated to step in and pay the cost of providing basic services to residents.

The state has also passed on significant new service costs to municipalities through budget pressure or administrative requirements to accept responsibility for state services and programs that were previously state responsibilities. Every state department has participated in this process to increase municipal responsibility for state road maintenance, environmental protection, prosecution of criminals, public health, inspections of food establishments, etc., without reimbursement. These new programs and services, in many cases,

have significantly increased the number of municipal employees and increased upward pressure on municipal tax rates.

As President of the Alaska Municipal League, a statewide organization representing cities and boroughs, I feel that it is time for our communities to speak with one voice in opposing further cuts to municipal aid programs. While we all need to work on making state and local government more efficient, local communities can no longer stand by and let state government balance its budget on the backs of local taxpayers. In fact, cutting municipal aid programs is not cutting the state budget, it is raising your taxes.

Sincerely, Donald Long,

President, Alaska Municipal League

Masek plea on ANILCA goes down



MASEK

JUNEAU-Voice breaking and with tears in her eyes, Rep. Beverly Masek peeled off her traditional Athabaskan moose-skin dress and let it drop to the House floor. Beneath the dress was a Western-style skirt and blouse.

"I am an Alaskan, and I am a Native and I am an American," Masek said April 13.

A few minutes later, the freshman lawmaker saw her first piece of legislation voted down—a controversial resolution urging Congress to eliminate from the Alaska National Interest Lands Conservation Act the rural priority for subsistence hunting and fishing.

Masek grew up in Anvik but now lives in Willow. The former Iditarod musher is the Legislature's only Republican Native. Although she's among a handful of Natives in the GOP-led House majority, she's the only Native lawmaker who has sided with sport hunting and fishing groups in Alaska's bitter feud over subsistence.

For that, she has been scorned by her people and criticized by her own family.

Sport hunting and fishing groups have attacked ANILCA as discriminatory. But many Alaska Natives believe the federal law is one of the strongest protectors of their indigenous cultures.

Masek calls it a "destructive tornado . . . dividing the state into cultural zones."

She said she supports the subsistence lifestyle, but added, "I don't believe we should continue to think that we can go back to the past. We are in 1995."

Since introducing her resolution last month, Masek has faced a flood of criticism from across the Bush.

"All over my district, they've asked me what's wrong with her," said Sen. Al Adams, a Kotzebue Democrat. "What she's doing is wrong."

Masek said even her own brother showed up at a committee hearing last month to testify against her resolution.

"It saddens me to see that my own people think I'm a traitor to my culture," Masek said during her floor speech. "I'm devastated about that."

But Masek's symbolic disrobing drew even more fire from fellow Natives.

"That's what our people have been doing for years—taking off this, taking off that, not living the way that we want to live," said Rep. Bill Williams, D-Saxman. "Help us put back our clothes. Help us put back our feelings."

HB251

Senator John Torgerson.
Room 427.
State Capitol, Juneau.

Hal Engelstad.

May 8 1995.

PO Box 873931.

Wasilla, Ak. 99687.

Ph. (907) 376-5976.

Dear John and Sandy:

Regarding the POLITICAL donations to the Senators, I am sending you both a fax copy of a portion of the Alaska Claims Settlement Act.

Sealaska Corporation has breached that portion of the Settlement Act by donating to the Knowles election campaign as of 1994, and again to Moses, Maclean, Williams and whosoever else, 1995. The same goes for Cook Inlet Corporation.

Also, as of 3 days ago, May 5th, I spoke with Sealaskas' corporate secretary, Ms. Maxine Richert, begging a means to GET OUT of the corporation, (Sealaska) to which she, (Richert) explained, "there is NO legal way I could do this without willing or gifting my shares of stock to another".

In the past, Sealaska has amended the by-laws to where the shareholder is completely in the dark as to what goes on, what is legal. The 'blood' Alaskan native is no more than an ENTITY for political purposes. But when they take away the constitutional and civil rights of whomever the hell we are, I think 'things' ARE out of hand, as HB 251 truly indicates.

HB 251 'stinks to HIGH HEAVENS'. I wish people can see that.

Thank you John and Sandy.

Yours truly.

Hal Engelstad
Hal Engelstad.

RECEIVED
MAY 08 1995
Ans'd.....

§ 6

ALASKA NATIVE CLAIMS SETTLEMENT ACT

§ 6

ALASKA NATIVE FUND

SEC. 6. (a) There is hereby established in the United States Treasury an Alaska Native Fund into which the following moneys shall be deposited:

(1) \$462,500,000 from the general fund of the Treasury, which are authorized to be appropriated according to the following schedule:

(A) \$12,500,000 during the fiscal year in which this Act becomes effective;

(B) \$50,000,000 during the second fiscal year;

(C) \$70,000,000 during each of the third, fourth, and fifth fiscal years;

(D) \$40,000,000 during the period beginning July 1, 1976, and ending September 30, 1976; and

(E) \$30,000,000 during each of the next five fiscal years, for transfer to the Alaska Native Fund in the fourth quarter of each fiscal year.

(2) Four percent interest per annum, which is authorized to be appropriated, on any amount authorized to be appropriated by this paragraph that is not appropriated within six months after the fiscal year in which payable.

(3) \$500,000,000 pursuant to the revenue sharing provisions of section 9.

(b) None of the funds paid or distributed pursuant to this section to any of the Regional and Village Corporations established pursuant to this Act shall be expended, donated, or otherwise used for the purpose of carrying on propaganda, or intervening in (including the publishing and distributing of statements) any political campaign on behalf of any candidate for public office. Any person who willfully violates the foregoing provision shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$1,000 or imprisoned not more than twelve months, or both.

(c) After completion of the roll prepared pursuant to section 5, all money in the Fund, except money reserved as provided in section 20 for the payment of attorney and other fees, shall be distributed at the end of each three months of the fiscal year among the Regional Corporations organized pursuant to section 7 on the basis of the relative numbers of Natives enrolled in each region. The share of a Regional Corporation that has not been organized shall be retained in the Fund until the Regional Corporation is organized. (Amended April 21 1976, P.L. 94-273 § 38, 90 Stat. 380)

Editor's notes. — Act of January 2, 1976, Pub. L. No. 94-204, § 5, 89 Stat. 1147, provides: "For purposes of the first section of the Act of February 12, 1928 (45 Stat. 1164), as amended, and the first section of the Act of June 24, 1938 (52 Stat. 1037), the Alaska Native Fund shall,

pending distributions under section 6(c) of the Settlement Act, be considered to consist of funds held in trust by the Government of the United States for the benefit of Indian tribes: Provided, That nothing in this section shall be construed to create or terminate any trust relationship be-

SIDE ONE

not established, he shall be enrolled as provided in subsection (b). His election shall apply to all dependent members of his household who are less than eighteen years of age, but shall not affect the enrollment of anyone else.

NOTES TO DECISIONS

- I. General Consideration.
- II. Disenrollment.

I. GENERAL CONSIDERATION.

The congressional intent is to distribute funds only to those who qualify under the act. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

And Secretary's actions must be in conformity with this intent. — See *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Congressional intent on issue of Secretary's power after roll is certified. — See *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977). Applied in *Aleut Corp. v. Arctic Slope Regional Corp.*, 417 F. Supp. 900 (D. Alas. 1976).

II. DISENROLLMENT.

Secretary has power to disenroll. — The Secretary of the Interior has the power to disenroll natives included on the roll he was required to prepare by December 17, 1973, and to disenroll applicants who were given an additional year to enroll by the 1976 amendments to the act. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

The Secretary has the same power to disenroll persons enrolled by the regional solicitor acting on behalf of the Secretary as he has over the persons and rolls prepared by himself. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

The power to disenroll is mandated by the congressional intent of purity of the rolls. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Disenrollment to affect monetary distributions. — The assumption from the amendments to the act in 1976, which specifically stated that disenrollment was to have no effect on land entitlements, is that disenrollment was to affect monetary distributions. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

And such effect is retroactive. — Absent some other factor the disenrollment is to have a retroactive effect on "monetary benefits." *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Regulation protecting monetary distributions is nullity. — The passage of the 1976 amendments protecting only land distributions from the effects of disenrollment evidences a congressional intent to allow past monetary distributions to be affected by disenrollment. Thus, regulation promulgated by the Secretary extending similar protection to monetary distributions is contrary to the intent of the act and is a nullity. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Regulations prescribing disenrollment procedure are constitutional. — The regulations prescribing the procedure for disenrollment, 43 CFR 4.1000 et seq., do not violate the due process clause of the Constitution. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

And does not violate mandate to make awards "with certainty". — While it is true that Congress expressed the desire to make awards under the act "with certainty," the disenrollment procedure does not violate that mandate. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Problems with procedure involving removal of names for fraud in independent court action. — See *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Regional corporations may withhold payments required under § 7 (j) of the act to those shareholders who the Secretary has indicated may be subject to disenrollment. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

SIDE 2



Public Law 92-203
92nd Congress, H. R. 10367
December 18, 1971

An Act

95 STAT. 688

To provide for the settlement of certain land claims of Alaska Natives, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alaska Native Claims Settlement Act".

Alaska Native
Claims Settlement
Act.

DECLARATION OF POLICY

SEC. 2. Congress finds and declares that—

(a) there is an immediate need for a fair and just settlement of all claims by Natives and Native groups of Alaska, based on aboriginal land claims;

(b) the settlement should be accomplished rapidly, with certainty, in conformity with the real economic and social needs of Natives, without litigation, with maximum participation by Natives in decisions affecting their rights and property, without establishing any permanent racially defined institutions, rights, privileges, or obligations, without creating a reservation system or lengthy wardship or trusteeship, and without adding to the categories of property and institutions enjoying special tax privileges or to the legislation establishing special relationships between the United States Government and the State of Alaska;

(c) no provision of this Act shall replace or diminish any right, privilege, or obligation of Natives as citizens of the United States or of Alaska, or relieve, replace, or diminish any obligation of the United States or of the State of Alaska to protect and promote the rights or welfare of Natives as citizens of the United States or of Alaska; the Secretary is authorized and directed, together with other appropriate agencies of the United States Government, to make a study of all Federal programs primarily designed to benefit Native people and to report back to the Congress with his recommendations for the future management and operation of these programs within three years of the date of enactment of this Act;

(d) no provision of this Act shall constitute a precedent for reopening, renegotiating, or legislating upon any past settlement involving land claims or other matters with any Native organizations, or any tribe, band, or identifiable group of American Indians;

(e) no provision of this Act shall effect a change or changes in the petroleum reserve policy reflected in sections 7421 through 7438 of title 10 of the United States Code except as specifically provided in this Act;

70A Stat. 457;
76 Stat. 904.

(f) no provision of this Act shall be construed to constitute a jurisdictional act, to confer jurisdiction to sue, nor to grant implied consent to Natives to sue the United States or any of its officers with respect to the claims extinguished by the operation of this Act; and

(g) no provision of this Act shall be construed to terminate or otherwise curtail the activities of the Economic Development Administration or other Federal agencies conducting loan or loan and grant programs in Alaska. For this purpose only, the terms "Indian reservation" and "trust or restricted Indian-owned land areas" in Public Law 89-136, the Public Works and Economic Development Act of 1965, as amended, shall be interpreted to include lands granted to Natives under this Act as long as such lands remain in the ownership of the Native villages or the Regional Corporations.

73 Stat. 552.
42 USC 3121
note.

December 18, 1971

Pub. Law 92-203

85 STAT. 692

Any dispute over the boundaries of a region or regions shall be resolved by a board of arbitrators consisting of one person selected by each of the Native associations involved, and an additional one or two persons, whichever is needed to make an odd number of arbitrators. such additional person or persons to be selected by the arbitrators selected by the Native associations involved.

Boundary Disputes, Arbitration.

(b) The Secretary may, on request made within one year of the date of enactment of this Act, by representative and responsible leaders of the Native associations listed in subsection (a), merge two or more of the twelve regions: *Provided*, That the twelve regions may not be reduced to less than seven, and there may be no fewer than seven Regional Corporations.

U.S. Region mergers. Incorporation.

(c) If a majority of all eligible Natives eighteen years of age or older who are not permanent residents of Alaska elect, pursuant to subsection 3(c), to be enrolled in a thirteenth region for Natives who are non-residents of Alaska, the Secretary shall establish such a region for the benefit of the Natives who elected to be enrolled therein, and they may establish a Regional Corporation pursuant to this Act.

Thirteen region.

(d) Five incorporators within each region, named by the Native association in the region, shall incorporate under the laws of Alaska a Regional Corporation to conduct business for profit, which shall be eligible for the benefits of this Act so long as it is organized and functions in accordance with this Act. The articles of incorporation shall include provisions necessary to carry out the terms of this Act.

Incorporation.

(e) The original articles of incorporation and bylaws shall be approved by the Secretary before they are filed, and they shall be submitted for approval within eighteen months after the date of enactment of this Act. The articles of incorporation may not be amended during the Regional Corporation's first five years without the approval of the Secretary. The Secretary may withhold approval under this section, if in his judgment inequities among Native individuals or groups of Native individuals would be created.

} Management.

(f) The management of the Regional Corporation shall be vested in a board of directors, all of whom, with the exception of the initial board, shall be stockholders over the age of eighteen. 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.

Management.

(g) The Regional Corporation shall be authorized to issue such number of shares of common stock, divided into such classes of shares as may be specified in the articles of incorporation to reflect the provisions of this Act, as may be needed to issue one hundred shares of stock to each Native enrolled in the region pursuant to section 5.

Stock, issuance.

(h) (1) Except as otherwise provided in paragraph (2) of this subsection, stock issued pursuant to subsection (g) shall carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to stockholders, shall permit the holder to receive dividends or other distributions from the Regional Corporation, and shall vest in the holder all rights of a stockholder in a business corporation organized under the laws of the State of Alaska, except that for a period of twenty years after the date of enactment of this Act the stock, inchoate rights thereto, and any dividends paid or distributions made with respect thereto may not be sold, pledged, subjected to a lien or judgment execution, assigned in present or future, or otherwise alienated: *Provided*, That such limitation shall not apply to transfers of stock pursuant to a court decree of separation, divorce or child support.

Stockholders' rights.

The Act - the bill is a Congressional amendment.

85 STAT. 691

(C) \$70,000,000 during each of the third, fourth, and fifth fiscal years;

(D) \$40,000,000 during the sixth fiscal year; and

(E) \$30,000,000 during each of the next five fiscal years.

(2) Four percent interest per annum, which is authorized to be appropriated, on any amount authorized to be appropriated by this paragraph that is not appropriated within six months after the fiscal year in which payable.

(3) \$300,000,000 pursuant to the revenue sharing provisions of section 9.

Fund expenditures for propaganda or political campaigns, prohibition, Penalty.

(b) None of the funds paid or distributed pursuant to this section to any of the Regional and Village Corporations established pursuant to this Act shall be expended, donated, or otherwise used for the purpose of carrying on propaganda, or intervening in (including the publishing and distributing of statements) any political campaign on behalf of any candidate for public office. Any person who willfully violates the foregoing provision shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$1,000 or imprisoned not more than twelve months, or both.

Distribution.

(c) After completion of the roll prepared pursuant to section 3, all money in the Fund, except money reserved as provided in section 20 for the payment of attorney and other fees, shall be distributed at the end of each three months of the fiscal year among the Regional Corporations organized pursuant to section 7 on the basis of the relative numbers of Natives enrolled in each region. The share of a Regional Corporation that has not been organized shall be retained in the Fund until the Regional Corporation is organized.

REGIONAL CORPORATIONS

SEC. 7. (a) For purposes of this Act, the State of Alaska shall be divided by the Secretary within one year after the date of enactment of this Act into twelve geographic regions, with each region composed as far as practicable of Natives having a common heritage and sharing common interests. In the absence of good cause shown to the contrary, such regions shall approximate the areas covered by the operations of the following existing Native associations:

- (1) Arctic Slope Native Association (Barrow, Point Hope);
- (2) Bering Straits Association (Seward Peninsula, Unalakleet, Saint Lawrence Island);
- (3) Northwest Alaska Native Association (Kotzebue);
- (4) Association of Village Council Presidents (southwest coast, all villages in the Bethel area, including all villages on the Lower Yukon River and the Lower Kuskokwim River);
- (5) Tanana Chiefs' Conference (Koyukuk, Middle and Upper Yukon Rivers, Upper Kuskokwim, Tanana River);
- (6) Cook Inlet Association (Kenai, Tyonek, Eklutna, Iliamna);
- (7) Bristol Bay Native Association (Dillingham, Upper Alaska Peninsula);
- (8) Aleut League (Aleutian Islands, Pribilof Islands and that part of the Alaska Peninsula which is in the Aleut League);
- (9) Chugach Native Association (Cordova, Tatitlek, Port Graham, English Bay, Valdez, and Seward);
- (10) Tlingit-Haida Central Council (southeastern Alaska, including Metlakatla);
- (11) Kodiak Area Native Association (all villages on and around Kodiak Island); and
- (12) Copper River Native Association (Copper Center, Glennallen, Chitina, Mentasta).

APPENDIX

(Under authority previously granted, the following statements and communications were ordered printed:)

A FAIR SETTLEMENT OF THE ALASKA NATIVE LAND CLAIMS; THE KEY ELEMENTS PROPERTY RIGHTS—THE UNDERLYING FACT

The Alaska Natives possess valid legal claims to most of the land in Alaska, claims of enormous value. A legislative settlement with them is, therefore, not a "gift" to the Natives, to be judged by standards of charity or paternalism. Rather, it is a real estate transaction. Some land, which the Native people have occupied since time immemorial, would be retained by them. Their rights in the balance, almost all of the land in Alaska would be purchased by the United States so that some can be available to the State of Alaska to fulfill the Statehood Act land grants, some can be made available to others under federal public land laws, and some retained by the United States, free and clear of the Natives' claims.

It has always been the law of the United States, announced as long ago as 1823 by Chief Justice Marshall, that the aboriginal inhabitants "were the rightful occupants of the soil, with a legal as well as just claim to retain possession of it." *Johnson v. McIntosh*, 8 Wheat. 543. These property rights, called "Indian title" or "aboriginal title", are, under our laws, valid and protected by the sovereign against all third parties, until and unless extinguished by the sovereign. *Tee-Hit-Ton Indians v. United States*, 348 U.S. 272 (1955). Third parties holding land subject to Native rights may be forced to account to the Native owners. *United States v. Santa Fe Pacific R.R.*, 314 U.S. 339 (1941). The power to extinguish includes the power to do so by force. *Santa Fe*, 314 U.S. at 347. However, such has never been the policy of the United States. *Tee-Hit-Ton Indians*, 348 U.S. at 273. Congress, by the Northwest Ordinance of 1787, declared "consent" to be the basis upon which land held under Indian title was to be acquired. 1 Stat. 50, 52.

Until 1871, Indian lands were acquired by the United States by agreements with the Natives, solemnified as treaties. Thereafter, such acquisitions were made pursuant to congressional enactment, but always the announced policy of our government has been acquisition by consent, never by fiat or confiscation.

Because the United States did not always, in practice, live up to these high ideals, Congress, in 1946, established the Indian Claims Commission to redetermine compensation where Native peoples had, prior thereto, been deprived of their lands by the government upon less than fair and honorable terms. The Indian Claims Commission Act was a praiseworthy, though belated, attempt to remedy injustices which never should have occurred.

Alaska is no exception to the national policy. When the United States acquired what is now Alaska from Russia in 1867, for \$7,200,000, Native title was not extinguished; the treaty left such matters to U.S. law. 15 Stat. 539. From 1884 on, Congress has repeatedly protected Native land rights in Alaska against interference by others. See e.g., Act of May 17, 1884, § 8, 23 Stat. 24, 26; Act of June 6, 1900, § 27, 31 Stat. 321, 330; Statehood Act of July 7, 1958, 72 Stat. 339, as amended, 73 Stat. 171.

The Supreme Court in 1962 (*Mellakalla v. Egan*, 369 U.S. 45, and *Kake v. Egan*, 369 U.S. 60) held that the 1958 Statehood Act preserved the status quo with respect to land claimed under Indian title. In 1969, in a decision which the Supreme Court declined to review (*Alaska v. Udall*, 420 F. 2d 938), the Ninth Circuit United States Court of Appeals refused to hold that lands held by Native title could be selected by the State of Alaska in fulfillment of the Statehood Act land grants.

Unlike the situation of the Indians of the lower 48 states, the United States has not yet, by and large, made a land rights settlement with the Natives of Alaska. The land claims, until settled, stand in the way of federal land grants to the State and to third parties. The time to make the settlement is now because

without it neither the Natives, the State, the United States, nor for that matter, the oil companies who seek to develop North Slope oil, can be assured of the stability of title which each requires.

The question is whether the settlement will be made as a property transaction recognizing that the Natives have valid legal property rights and that they are entitled to fair compensation for lands to which Native title is to be extinguished. Otherwise, the legislation would be an act of confiscation. It would leave in its wake an inevitable residue of frustration, suffering and disappointment, with unpredictable consequences, until at some future date this wrong too might be in part righted, perhaps by creation of another Indian Claims Commission for the Alaska Natives. For time and again, our nation's history demonstrates that nothing is really settled until it is settled right. How much simpler and just to do the job right the first time so that there will be no further grounds for complaint.

What is involved is a decision as to how much land the Natives are to relinquish and what they are to be paid for the relinquished lands, rather than how much land and money they are to be given out of an alleged governmental generosity. Generosity is, of course, a relevant consideration but only within the context of the Natives' clear legal rights. "Legality" itself is meaningless unless it reflects fundamental fairness, adherence to settled doctrine, and satisfaction of reasonable expectations created by past policy.

S. 835, embodying the settlement proposals of the Alaska Federation of Natives, is clearly based on the foregoing fundamentals.

LAND

S. 835 recognizes that to the Natives, land is a most crucial aspect of a just settlement. "Take our land, take our life", summarizes their attitude.

The Natives would give up their claims to all but 60 million acres as to which their title would be confirmed. They would retain, therefore, only about 17 percent of the land to which they validly assert aboriginal title.

Why 60 million acres? The Federal Field Committee has attested to the fact that measured on a subsistence basis, 60 million acres is the minimum needed today, assuming that the Natives could select those lands having the greatest subsistence resources. However, for a number of reasons, it will not be possible to select the 60 million acres having the greatest subsistence potential. Even so, the bill with the 60 million-acre feature, would provide land upon which those Natives who wish to do so might continue to some degree their traditional way of life. Sixty million acres would, at the same time, leave the Natives with property which can—as it should—serve as an economic opportunity base. The Natives are willing to settle for far less than the amount of land to which they could judicially establish Native title in the interests of a legislative settlement now rather than having to go through long, drawn-out litigation. Taking these factors into consideration, 60 million acres is a reasonable compromise.

But it is essential that the Natives retain fee simple title to the 60 million acres, sub-surface as well as surface. The longstanding legal principle on Indian land is that Native title includes *all* of the rights to the land involved, not merely the right to use of the surface for subsistence.

The 60 million acres to be retained in the Native would be selected by allotting four townships to each Native village, accounting in the aggregate for about, 20 million acres, and by selection, principally by the regional Native corporations, of the remaining 40 million acres from among lands historically used and occupied.

There have been some suggestions that a 60-million acre settlement is too large because it would perpetuate racially oriented areas. Whether the Alaska Natives will own 17 percent of what was theirs does not present a choice between segregation and integration. It must never be forgotten that Alaska is the homeland of the Native people. To recognize their legitimate claims to only 17 percent of what was once their entire domain does not segregate them. Racial equality is not promoted by depriving Indians, Eskimos and Aleuts of title to their lands. That would leave them segregated but landless, with no resources. Meanwhile, others, without payment, would succeed to what was once the Natives'.

Land is the foundation of culture, and landownership is a basic principle of our society. That is why it is accorded supreme protection by our laws. The Natives of Alaska, the rightful owners of its land, are entitled to better treatment than to be deprived of practically all of their land, and of their culture, upon the excuse that such deprivation is required in order to prevent enforced separation of the races. Without land and without resources, the Natives of Alaska, in the remote areas of the state where their villages are located, will still remain the dominant popula-

Still
happening
to our
old
Corp
took
it all

and property of the Indians shall never be taken away from them without their consent" and that "their property, rights, and liberty . . . shall never be invaded or disturbed, unless in just and lawful wars authorized by Congress."

Judicial recognition of Indian possessory rights was first announced in 1823 in *Johnson v. M'Intosh*, when Chief Justice Marshall defined the status of the original inhabitants as "the rightful occupants of the soil, with legal as well as just claim to retain possession of it."

Nine years later, in the famous case of *Worcester v. Georgia*, the Supreme Court further stated that, under the Indian Trade and Intercourse Laws, the Indian communities have territorial boundaries and have a right to all the lands within those boundaries, which is not only acknowledged but guaranteed by the United States.

This consistent policy of respect for Indian rights of occupancy continues in the 20th Century and is summarized in the 1941 Supreme Court case of *United States v. Sante Fe Pacific R.R. Co.*: "Unquestionably it has been the policy of the Federal Government from the beginning to respect the Indian right of occupancy, which could only be interfered with or determined by the United States."

In *Tee-Hit-Ton Indians v. United States*, which involved lands in Alaska, the Supreme Court again acknowledged that it has been "the policy of the Congress, continued throughout our history, to extinguish Indian title through negotiation rather than by force," and that the Indians had a "right of occupancy which the sovereign grants and protects against intrusion by third parties." It further held that Congress must act in order for Indian title to be compensable as against the United States.

In addition to the protection afforded by general Federal legislation and Supreme Court decisions, the possessory rights of Alaska Natives have been the subject of specific legislative protection from the time of "Seward's Folly"—most notably in the 1884 Organic Act, the Act of June 6, 1900, and the Alaska Statehood Act of 1958.

In 1902, the United States Court of Appeals for the Ninth Circuit held, in *Heckman v. Sutter*, that the Organic Act established possessory rights which would ground a suit against encroachment by third parties, stating that:

"Congress saw proper to protect by its act of 1884 the possession and use by these Indians and other persons of any and all lands in Alaska against intrusion by third persons, and so far has never deemed it wise to otherwise provide."

Continuing the policy of earlier years, Congress recently excepted lands occupied by Indians from the tideland grants to the territory of Alaska under the Act of September 7, 1957.

Thus, aboriginal title in Alaska has been accorded the safeguard of special legislation in addition to the protection generally applicable to Native rights of occupancy throughout the United States. The legal basis of the claims here asserted is beyond question.

THE ALASKA PIPELINE AND NATIVE RIGHTS

A consortium of seven oil companies, Alyeska Pipeline Service Company, proposes to construct an 800-mile pipeline to carry crude oil from the rich Arctic Slope fields on the Beaufort Sea south to the all-weather port of Valdez on Prince William Sound.

The stakes are enormous. The cost of the pipeline is estimated to be \$1 billion. It is reported that the Arctic Slope oil strike of 1968 has been "conservatively" valued at \$60 billion. The Atlantic Richfield Oil Company, on lands at Prudhoe Bay that were expropriated from the Natives by the State of Alaska, has already identified reserves estimated at 3 billion barrels, with a net profit per barrel estimated to range from 60 cents to \$1.00. And this is just the beginning.

Alaska Native leaders assert that their land rights, which have been held in abeyance since the purchase of Alaska from Russia in 1867, must be settled by Congress before the Department of Interior grants a pipeline right-of-way over lands they claim. The New York Times comments in an editorial: "It seems inconceivable, either in law or simple justice, that the project would be launched until the Native claims to the land are fully and satisfactorily settled."

If the construction of the pipeline becomes a matter of national defense emergency, Native leaders propose that President Nixon exercise his legal authority to withdraw from the public domain lands along the pipeline route for the benefit of the Natives, permitting them to lease the right-of-way to the oil companies.

Proponents of the pipeline are no longer eager to test the rights of the Natives

We are engaged in marine transportation to and from Alaska and also are prospecting there for minerals. Those activities would be directly and harmfully affected by the Senate Bill.

An expeditious and equitable settlement of the Alaska native land claims is indeed essential to the growth and progress of the State. However, legislation for that purpose need not include provisions halting mineral exploration so vital to the economy of Alaska as well as the entire nation. The proposed five-year land freeze would be extremely damaging to companies embarking on mineral exploration ventures, whether small or large.

Secondly, the proposed competitive leasing of mining rights in Alaska would permanently discourage the development of mineral resources as well as discriminate against the small miner. Such provisions constitute a fundamental change in the Mineral Leasing Act and would frustrate the development of natural resources based upon the traditional incentives under which the mining industry has progressed throughout the United States.

Your positive action in support of those important matters is respectfully requested.

Sincerely,

LOWELL S. DILLINGHAM.

THE IZAAK WALTON LEAGUE OF AMERICA,
Glenview, Ill., May 10, 1971.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We are gravely concerned about the terms of settlement of the Alaska Native Claims. We find our membership drawn between sense of fairness and justice toward the natives and what in the long run would be in the best interest of the Nation, the State of Alaska and the natives themselves. We doubt that a really sound program for settlement can be developed, that includes granting of substantial land areas, without first having developed a comprehensive land use plan for the entire State.

Such a development plan, based on natural resource opportunities and human resource requirements, could be blocked out in major elements within a couple of years and provide strong and workable guidelines for retention and protection of wildlife refuges, parks, forests, wilderness areas, and for state lands of similar purposes. It could determine in rough the transportation and communication network, the logical power generation and distribution grid. It could classify major watersheds and rivers for eventual highest use for fisheries, power, agriculture and municipal and industrial consumption. It could provide criteria for zoning out development on flood plains and other high hazard areas. It could point out areas which will be principally valuable for communities, agriculture, industry or mining. Moreover, it would give the State of Alaska better criteria for the selection of its allotment of lands and the natives their allotments whatever the amount. It would in the overall help keep Alaskans from the ill-considered, piecemeal decisions which characterized development of the lower 48, and which your land use planning legislation would belatedly hope to correct.

The settlement might call for a cash payment of whatever size over whatever period Congress determines; conveyance to each native village of adjacent acreage not to exceed 3 times the present acreage occupied, and a continued moratorium on further land selections by the State or by the natives (if Congress approves allotment of further acreage) until the comprehensive land use plan for Alaska has been approved by Congress. The moratorium should apply as well to any and all other types of land entry.

In the overall, the land use planning process should speed up rather than delay final settlement of the native claims and final selection of its lands by the State.

Respectfully yours,

J. W. PENFOLD,
Conservation Director.

extent of the whole settlement should not have an adverse impact on the State's revenues beyond that produced by an up to 20 million acre concession of selection rights on a proximity basis as provided according to the formula of S. 35. Secondly, that the United States contribute an appropriate share to the settlement.

Some mechanism should be provided in the Act, perhaps through the Native Claims commission, or the Land Use Planning Commission, to take care of the need for adjustment in particular circumstances where the situation of T.A. lands creates hardship on one party or another.

The first type of circumstances which activate a State policy objection is the denomination for these purposes as "Native villages," towns, cities or villages which are not, at the present state of historical development, primarily Native in character. The same circumstance is worthy of consideration by the Congress as to federal domain.

For instance, the City of Kenai is non-native in population, and its economy is integrated into the cash economy of the State, as is the surrounding territory. The City of Nome was settled by gold miners and although through migration it has acquired a majority of Eskimo population, it is culturally mixed and urban in character. It is difficult to assess the precise effect of conveying all the vacant land in and around such city to a corporation controlled by a racially defined minority within it, but it may have the effect of dividing the City more than it unites it, working to the long term disadvantage of both elements in the population.

Another problem situation occurs where a native village is in close proximity to an urbanized area and the effect of the transfer may be to stunt the growth of that city or urbanized area through depriving it of access to lands for normal expansion.

In both cases, the option may be more desirable of giving the Native claimants the beneficial interest in the lands so they may receive the value of the land after cost of sale, but allow for conservation or disposition under State or State-federal management.

Perhaps the complexity and variety of the situations before the Congress can be illustrated by touching on the circumstances of each of the villages listed by Alaska Legal Services Corp., in its brief filed with the Committee.

(a) Kenai: as already mentioned, this is predominately a white community and has been for some years. The lands around it are primarily desirable as home and recreation sites or common park and recreation lands. Kenai is situated in a comparatively densely populated area of Alaska.

(b) Ninilchik: While census data are not immediately available, the majority of the population of the township is almost surely non-Native. Ninilchik is a neighboring community to Kenai and the use pattern for open lands is similar to that around Kenai. As with Kenai, the transfer of T.A. or vacant lands well beyond the township would be required to give a full township of lands to the claimants.

(c) Seldovia: Primarily a mixed or non-Native community of fishermen with good access to the populated areas of Alaska. The lands around it are primarily attractive as park and recreation lands for the general public. It might be noted that contrary to the suggestion of one of the other witnesses, the State by no means selects lands exclusively for their commercial value. The State has a major program of selection for development for State park and recreation purposes. It is unlikely that Native selections will give significant recognition to such public purposes, nor should they be expected to.

(d) South Naknek: No apparent problem.

(e) Ouzinkie and Port Lyons: It would appear to be feasible to transfer T.A. lands in the immediate township but if grants are to be allowed in adjoining lands to the aggregate extent of two or more townships of actual land, these communities would be acquiring land in the residential growth areas of the City of Kodiak.

(f) English Bay and Port Graham: Neighbors to Seldovia. It would be a shame to see large areas of the land mass of this part of the Kenai Peninsula go into private hands.

(g) Eklutna: A very small village, possibly under 25 persons at the present time, close to Anchorage on the northeasterly side. The grant of T.A. lands within the township would not present any insurmountable problems. However, if a large proximity land grant were made it would pick up some highly urbanized, non-contiguous lands.

(h) Mentasta and Dot Lake: No insurmountable problems if existing entries are recognized.

(i) Manley Hot Springs: Is predominantly a non-native community historically and at present.

law. It is not a predominantly native community today.

(k) Tanacross: In the process of being moved to a new site. Problems should be overcome.

(l) Lake Minchumena: No major problems.

(m) Klukwan: This is an existing reservation, the extent of which is not recognized in the brief filed by Alaska Legal Services. There are limited T.A. lands which have not been previously disposed of. It should be recognized that this area is a prime recreation area in the Haines vicinity.

To reiterate, where the form of settlement provides for the grant of lands in and around existing communities which are not really Native villages today, there should be flexibility to allow the transfer of beneficial interests only.

IV. The Committee requested our estimate on the timetable for payout of the 2% overriding royalty (fourteen to sixteen percent of total royalty) and 2% of rentals and bonuses to \$500,000,000.

Our calculation is as follows:

Year:	Thousands
1970.....	(1)
1971.....	(1)
1972.....	\$600
1973.....	700
1974.....	8,200
1975.....	19,400
1976.....	23,500
1977.....	25,000
1978.....	26,800
1979.....	35,100
1980.....	41,300
1981.....	48,100
1982.....	54,800
1983.....	54,800
1984.....	58,000
1985.....	58,000
1986.....	58,000
Aggregate.....	512,300

¹ Negligible.

V. The Committee requested a list of members of the Alaska State Legislature who are personally entitled to a direct share in the proceeds of a claims settlement. Our estimate is as follows:

Senate names (2 out of 20)

The Honorable Raymond C. Christiansen.

The Honorable Willie Hensley.

House names (8 out of 40)

The Honorable Chuck Degnan.

The Honorable Frank R. Ferguson.

The Honorable Martin B. Moore.

The Honorable Carl E. Moses.

The Honorable Edward F. Naughton.

The Honorable Frank Peratrovich.

VI. Attached are the two bills which I have had introduced on behalf of my administration regarding the preservation of Indian village lands, pending further action on Native claims by the Congress and recognizing individual rights of occupancy. Since the same result has been secured on a preliminary basis by my executive order, passage of these bills by the Legislature was not requested this year. In addition, adoption now would be premature. It is my intention that the precise form of the legislation should conform to the congressional pattern which is yet certain. In principle, this legislation was favorably received by the State Legislature.

With these matters our testimony is concluded. In the event that the Committee or its individual members or its counsel would like any further elucidation of our views on these or related matters, I would be glad to oblige at any time.

Sincerely,

WILLIAM A. EGAN,
Governor.

BEST COPY AVAILABLE

May 7, 1995

William Hensley, Commissioner
State of Alaska Bankings & Securities
Corporations Division
Juneau, Alaska 99811

Governor Knowles (personally please)
3rd Floor Capitol
Juneau, AK 99801

Re: House Bill 251 - The Native Rights Bill

Dear Commissioner Hensley and Governor Knowles:

I was glad to see Mr. Hensley's letter to the editor in the Juneau Empire. The last paragraph of it, stating that Commissioner Hensley was not in support of provisions that silenced any dissent, is of concern to me, and why I write to you here. Section 1(n) does not seem to be the only place the bill silences dissent, and since you are Commissioner, I thought maybe you could help.

There is a 180-day (6 month) petition provision being proposed for all Eskimos, Aleuts, and Indians. It is within this time frame, for someone where they belong to some place extremely large like Sealaska Corporation with its 15,812 Native shareholders, must come up with approximately \$10,000.00 to \$15,000.00 to petition the group, and then bear the burden of mailing 15,812 proxies out, as required by state law. It is a very difficult process for the serious and concerned petitioner in the larger corporations as the law stands for them now.

I was on the Native panel that Labor and Commerce Committee Chairman, Pete Kott, chose to represent the position of shareholder Natives. Unfortunately, Mr. Kott excluded us from the testimony on his amendments he said we would be willing to give the opportunity for, only to pass the bill out at a final committee hearing, denying us our, and Representative Beverly Masek her, rights to input and presence. We were in the halls everyday, he know of Ms. Masek's and our deep interest and intent to protect the 70,000 Eskimos, Aleuts, and Indians, yet he disregarded this for their own passage in our absence - and our work as a Native panel was by no means complete.

When I was allowed input, for two work sessions, I had listened to the two days of Native testimony from around the state. Only one person supported the bill in the two days of testimony, it was a Bering Straits board member. I used the tapes of the testimony in an effort to give good presentation for the Natives as a Native panel member, since they would not be allowed to speak for themselves, and ultimately they were not allowed a voice through Mr. Kott's excluding us from the full circle of the process. This is serious to have done to the Native people, in that it was the only committee that would have contact with the public until the chaotic vote of the House. I have never seen such an uninformed group - the House of Representatives had many questions on the bill, and they showed a non-intimate knowledge of the Claims Act, and the people's lives they were about to change. I am very disappointed with the unethical process that just took place for the Natives.

It was my responsibility to get a feel for the needs of the Alaskan Natives, and one group stated they had begun a petition in September 1994, and had about 6,000 Sealaska shareholder signatures, but not enough money. They had about \$3,511.00 at the time I asked them for the amount of funds they had (3/95). I explained the situation for Mr. Kott, that there was a group of Natives that had been petitioning for eight months, *regularly* doing Native dances, dinners and flea markets of Native crafts, but still did not have enough money. I told him that 180 days was deadening the Native voice. Mr. Kott explained that if they couldn't do it in eight months, they were never going to do it. I told him they needed at least 12 months, and he couldn't make a law deadening the Native voice just because they were a "poorer" people. The 180 days has stuck.

I feel that not enough investigation has taken place regarding the Natives, and what this legislation will do to them. Remember, that in many of the villages, there is no economy, or real income at all, what is the recourse for such situations in village Alaska?

Those in the remote village locations want changes too, but do they have a way before them for achievable action? This bill presents unachievable feats for the Natives, and it does not appear to be just Section 1(n). I am really worried, and have fought a hard and emotionally draining battle with 251. Having such a short notice to its introduction, none of the Eskimos, Aleuts, or Indians had the opportunities to impact the bill. More investigation is warranted.

Ashley Reed, CIRI's lobbyist, stopped Emil Notti in the halls at the capitol a day or so ago. He said to Emil that this bill was 'going' no matter what, that the governor would let it pass without signing off on it, so that his name would not be associated with endorsing the bill. Sam Kito was also not happy to see Mr. Notti at the capitol, and stated to Mr. Notti that this bill was all about money. Mr. Notti told me that he replied to the effect that, "if you think that it is, you are grossly mistaken about your shareholders." I have to agree. I have fought for my grandmother since she was alive. She passed away a little over a year ago. Indian language was her first language, yet she was so separated from her Indian life, that she didn't have anyone to talk her Indian language with, and she received 100 shares in a 'ghost village.'

Ketchikan did not get an Indian village. I don't remember the Claims Act stating that it would completely cut off Natives from their Indian way of life, but that is what it did to her. She was a very old woman, raised in the Indian way of life. She didn't deserve what was forced on her through a mere controversial moment in time. Louis Williams is 100 years old next year. She lives kitty corner to the Imperial Bar at number 301 Gastineau Apartments. She cannot speak English and also has 200 ghost shares in a village (Haines did not get an Indian village). I have cried many times over the devastation these people have been forced to live in. My grandmother grieved to the end of her life.

Our people that strive for their cultural needs get hurt by this legislation. Money does not take precedence over culture, but that is what this bill is doing. It is preventing us from fighting for our culture, our old, those not affluent or politically powerful.

Our people in remote villages are trying to do what they can. The following shareholders from corporations helped to get Mr. Notti down here for two days: Kikiktagruk Inupiat, NANA, Doyon, Sealaska, North Slope, AHTNA, Bering Strait, Calista, Ninilchik, CIRI, Kotzebue Native Association, Sea Lion, Tikikguuk, Klawock, and Salamatof. All united to fight against the bill. We aren't simply at the disposal of board managements, but we exist in a united Indian/Native spirit, and are a force to be consulted with in matters that affect our rights and our futures. I feel that someone obviously thought we were passive enough to let 251 freely devastate our existence - and this gross misinterpretation of Indian people needs to be stopped by these board managements.

While there is many problems with the Native corporations and administering subsistence land or cultural survival - what can we do? Taking away the rights of all 70,000 Eskimos, Aleuts, and Indians is just not the answer. Can you please try to understand us and that there are other parts of this bill that deaden the Native voice completely also? I hope to hear from you soon, as the bill is pushing on in the Senate - and most horrific, if it stops in its tracks due to the short amount of time left for the session, it will be pushed even harder next year when it comes back. It was already pushed too hard for us this time. I hope that the two corporations, and especially Sealaska Corporation, were not using the kind intentions Mr. Knowles has showed to the Natives, to hurt the very Natives he wishes to extend kindness to and to help. The Alaskan Natives are really disillusioned by this legislation and the government at this time. Please work to thoroughly understand us and what each part of the bill does to us.

Sincerely,

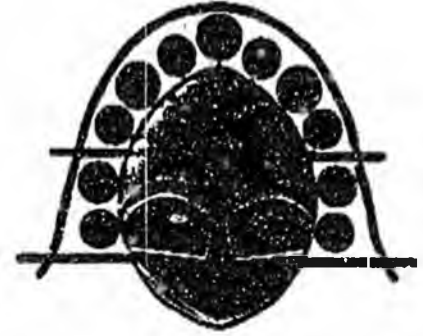
Joan Mantei

Joan Mantei - Sealaska Shareholder/Landless
Box 34711
Juneau, AK 99803-4711

I too am a member of a 'ghost village.'
(907) 586-3506-h 463-7351 8-4:30 Tue-Fri

file #B251

RECEIVED
MAY 05 1995
Ans'd.....



Natives Of Kodiak, Inc.

Facsimile Cover Sheet

To: Senator John Torgerson

Company: _____

Fax: 465-4779

From: Anthony Drabek

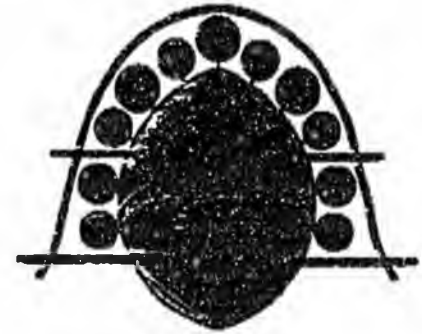
Date: 5/5/95

Pages including this cover page: 3

Comments:

Please call (907) 486-3606 as soon as possible if any problems with transmission

215 Mission Road, Suite 201, Kodiak, Alaska 99615 • (907) 486-3606 • fax (907) 486-2745



May 5, 1995

Natives Of Kodiak, Inc.

Drue Pearce
President of Senate
State Capitol
Juneau, Alaska 99801

We have again reviewed House Bill 251 as amended. As a general matter, this legislation appears to violate the provisions of the Alaska Native Claims Settlement Act ("ANCSA") by singling out Native corporation shareholders to be treated differently from other Alaska corporations. Section 7 (h) of ANCSA provides that, subject to certain exceptions, stock issued by a Regional Corporation "shall vest in the holder all rights of a stockholder in a business corporation organized under the laws of the State of Alaska...." It also appears that House Bill 251 may violate the 1983 Civil Rights Act by treating various groups differently along ethnic lines. Section 1 amending AS 10.06.960 by adding a new Subsection (l) gives Native shareholders less protection than other shareholders of Alaska Business Corporations even though Native shareholders cannot sell their stock and leave the corporation. What is particularly upsetting is that the larger corporations which originally sought the proposed changes including a 25% rule have accepted a reduction to 15%, but smaller corporations which have not been heard from are still kept at 25%.

New Subsection (m) increases the reporting requirements for Native shareholders. Subsection (m) also is poorly drafted in that it raises the question about the ability of a shareholder to use additional or new information if that material is not available and filed at the time of the original filing, since the language seems to require that all solicitation materials must be filed with the original notice.

Subsection (n) proposes to eliminate AS 10.06.460 as it applies to Native corporations. This ends the ability of Native corporation shareholders to remove a director without cause and without going to court. Almost all corporation codes, whether Alaska or otherwise, have provisions which allow directors to be removed with cause by shareholder vote. Under Alaska statutes the specific causes for removal are very restricted. This change would mean that shareholders must use attorneys and the court system rather than self help to change directors. Again, in most corporations a shareholder can sell their stock if they are uncomfortable with management and wish to make a new investment.

Drue Pearce
May 5, 1995
Page 2

New Subsection (o) and Section 2 amending AS 45.55.590 involve concepts which may have some merit. However, if they have merit, they should apply to all Alaska business corporations and not just to Native corporations. Finally, the amendment in Section 2 already is the practice and law. As a result there is some concern as to the necessity of codifying it.

In summary, this appears to be an attempt to pass a law which may not be valid either under ANCSA or the Civil Rights Act of 1983. It may also be unconstitutional under the Equal Protection Clause of the U.S. and the Alaska Constitutions. It takes away rights of only Native corporation shareholders.

Sincerely,

NATIVES OF KODIAK, INC.



Anthony Drabek
President and CEO

cc: Senator John Torgerson, Chairman
Senator Randy Phillips, Vice Chair
Senator Tim Kelly
Senator Hoffman
Senator Fred Zharoff
Representative Alan Austerman

*Copies to: [unclear]
John Ferguson*

COMMUNICATION
P.O. BOX 1050
KOTZEBUE, ALASKA 99752
Phone (907) 442-3165, Fax (907) 442-2165

FAX COVER SHEET

TOTAL # OF PAGES WITH COVER SHEET 3

TO : Cominc

ATTN: Ruth Schaeffer

FAX # : 426-2117

FROM : Mike O'Connor

DATE: 5/8/95 TIME: 8:25 AM

- THIS IS A:**
- FAX LETTER
 - QUOTE REQUEST
 - PURCHASE ORDER
 - COPY
 - CONFIRMATION
 - ADD'L INFO CONCERNING

MESSAGE:

ACTION REQUIRED:

- CALL ME UPON RECEIPT OF FAX
- FAX YOUR REPLY
- ENTER THIS ORDER
- CALL IF YOU HAVE ANY QUESTIONS
- NO RESPONSE REQUIRED

TIMETABLE:

- URGENT/RUSH
- ASAP
- TODAY
- THIS WEEK
- BY

REPLY:

=586-2660-

*Please note: I am staying @ the Barrinoff rm 805
I would appreciate it if I could meet with you
re: HB251. Thank you for your consideration.*

Ruth C. Ferguson-Schaeffer

KIKIKTAGRUK INUPIAT CORPORATION 373A Second Avenue • P.O. Box 1050 • Kotzebue, Alaska 9
(907) 442-3165 • Fax (907) 442-2165

May 5, 1995

The Honorable Governor, Tony Knowles
State of Alaska
P.O. Box 110001-0001
Juneau, Alaska 99811
Fax: (907) 465-3532

FAXED 5/5/95

Re: House Bill (HB) 251

Dear Governor Knowles:

I was delighted to read in today's *Anchorage Daily News* that you have reservations about HB 251.

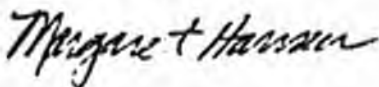
Kikiktagruk Inupiat Corporation (KIC) is the village corporation of Kotzebue. KIC's Board of Directors believes the right of shareholders to petition their corporations to hold special meetings, and their right to remove directors, should not be diluted, which HB 251 will do if passed.

We particularly do not like the fact that Alaska Native corporation shareholders will have to adhere to stricter procedures and rules than shareholders of other Alaska corporations, if HB 251 passes. As directors, we know our responsibility is to the shareholders (owners). This bill seeks to unduly restrict shareholders from addressing issues with the board and management, which is like trying to exclude the owners from having a say in their company.

In our view, HB 251 is special interest legislation intended to benefit directors and management of a few Native corporations at the expense of shareholders of all Native corporations. We urge that you use the power of your position as Governor to persuade members of the Senate to eliminate any provisions from HB 251 that would further restrict the rights of Native shareholders, or veto this legislation altogether.

Thank you for your attention to this matter.

Best regards,



Margaret Hansen,
KIC Chair

cc: KIC Board of Directors



KIKIKTAGRUK INUPIAT CORPORATION 373A Second Avenue • P.O. Box 1050 • Kotzebue, Alaska 9
(907) 442-3165 • Fax (907) 442-2165

May 5, 1995

Dear KIC Shareholder:

Some shareholders of several Alaska Native corporations have joined forces in an effort to defeat House Bill 251, which passed in the Alaska State House, and is now up for consideration in the Alaska Senate. HB 251 is "An Act relating to meetings, shareholder proposals, and removal of directors of Native corporations." Generally, this bill establishes much stricter procedures and rules for shareholders to petition their corporations to hold special meetings. Further, shareholders will be prohibited from removing directors by a vote at special meetings. If passed, HB 251 will only allow shareholders to replace directors by vote when the directors' terms expire, or by taking legal action in the courts.

KIC's Board of Directors and some KIC shareholders have already sent Public Opinion Messages (POMs), through the Kotzebue Legislative Information Office, urging legislators to defeat the passage of this bill. KIC's Board believes the right of shareholders to petition their corporations to hold special meetings, and their right to remove directors, should not be diluted, which HB 251 will do if passed.

If you would like to send a POM, we urge you to contact the nearest Legislative Information Office to you. In Kotzebue, the Legislative Information Office phone number is 442-3880 (they do accept collect calls). You will be provided assistance with faxing your POM at no cost to you. Also, since the Alaska Senate will be voting on this matter in the very near future, it is very important that you send your POM as soon as possible.

Thank you for your attention to this matter.

Best regards,

Margaret Hansen,
KIC Chair

ATTENTION: EDITORIAL April 8, 1995**Subject: HB251**

HB251 affects the rights of 75,000 Alaska Natives. Shareholders and Village Corporations were not informed of HB251. State Statutes concerning Non-Native Corporations require 10% of signatures on petitions and no time restrictions. HB251 places natives in a unique and discriminatory situation requiring 25% signatures and ninety day time limits. Special meetings and resolutions are the only avenues available to allow Shareholder participation. Corporations are not required to consider or submit to vote a resolution or proposal. HB251 suspends a resolution, dealing with the same subject matter, from being reintroduced for two years. Mr. Moses' summary states, "substantially same subject matter." What does this mean? What is the definition of this? Who decides? Corporate leaders or police power? Shareholders who speak out will be liable for perjury, fines and jail sentences. Careful reading of the Bill leads one to believe penalties will be established if an individual fails to gather required signatures. Extremely powerful Corporate leaders who introduce a Bill of this magnitude create a "Chilling Affect" on Shareholders. With HB251 no reasonable Native Shareholder will ever raise his voice in protest again. Legislators (Mr. Moses and Eileen Maclean) should be concerned about protecting all shareholder's rights to participate and be informed. The Bill is exactly the opposite of what Mr. Moses states. Native Corporations are under going a situation similar to the European Enlightenment and Emergence. Dissident groups (voices of the people) are an important part of the emergence. Native Shareholders simply cannot sell their shares and walk away like other Corporations. If ANSCA is a test, let the emergence happen! Alaskan Natives call legislators! Write letters! Testify orally! Halt this Bill Protect your rights.

Bobbie Oskolkoff

Bobbie Oskolkoff
907-283-7748

Please print my phone number

This editorial should be printed as soon as possible as the Legislative work shop is Monday and the Last oral testimony is Wednesday of this week! The next step is the Senatel

Sending 17 pages total

RECEIVED
MAY 07 1995
Ans'd.....



SHAREHOLDERS FOR CIRI'S FUTURE
205 E. Dimond Blvd., #326
Anchorage, AK 99515
(907) 349-1546



May 5, 1995

Dear Senator Halford:

RE: HB 251: A Bill to implement stricter standards for Alaska Natives only.

THIS BILL NEEDS TO BE STOPPED! For the last several years shareholders learned that there are no protections for our concerns and issues. Our Corporation President informed us in 1986 that we were to present resolutions and petitions to get shareholders and administration working together. This bill will make that impossible.

Furthermore, we do not have access to funds/resources to present the shareholders views.

In conducting these petition drives we do not go lightly but purposefully and diligently. Remember this is all volunteer efforts. People have jobs, families and personal lives. We do not spend that much but we heard that CIRI spent \$250,000 against us regarding the Special Meeting of November 17, 1994.

We have been advised by Roy Hulendorf that all petitions and resolutions are **ADVISORY** to the Board. As a result, the board has the right to not vote and/or not adopt whatever we have petitioned for.

WE DIDN'T EVEN WANT A MEETING. WE WANTED A BALLOT SENT TO ALL SHAREHOLDERS. Let the shareholders read, vote and send it back to a third party with results to be presented to the board and the shareholders. The Corporation chose to spend the money and have a meeting.

To accomplish the special meeting took **LOTS** of educating, talking and explain to our elders--many of whom do not read English. The elders want verbal explanations---not writing. Many elders know how to sign their name. Some don't know how to print their name. But they understand English. For those few instances we have access to friends who can translate for us. We have been advised that when the CIRI proxy card comes in the mail they sign so that their names will be entered into door prize drawings (trips and cash). They sign the Board endorsed slates because of the prizes.

Look at the previous slates: we have 6 independent that made it on the board over these 22 years. Their campaign costs were not reimbursed. Yet the shareholders money pays for the incumbent Board slates.

We presently have several other major issues that we have unsuccessfully attempted to get an answer from our corporation. They are:

1. Our Annual corporate reports CONSOLIDATES all our assets into one line. Most specifically we have one line in our Balance Sheet for Natural Resources. This amount includes oil, gas, coal, gold, and timber.
2. Our income statements consolidate rental income- in and out of Alaska - construction income, etc. This income line is a consolidation of 26 subsidiaries. This is bad because CIRI has denied us access to the breakdown of the assets and income by subsidiary.

As we discussed today, it is our belief that the Regional Corporations will each probably give ONE MILLION DOLLARS to the Democratic Party. This will eliminate any checks and balances in the Houses. Furthermore, we would like to give it to our elders.

Our grassroots shareholders are waiting to see how each of the senators vote. We are sick and tired of the regional corporations speaking on our behalf and working against us, not with us. It is our intent to advise our shareholders through our statewide newsletter how every senator votes on this issue. Quite bluntly you support us and we'll support you. Please be advised that this letter is written and approved by Shareholders for CIRI's Future Ad Hoc Committee.

Sincerely,

Delice Alexander-Calcolo
Delice Alexander-Calcolo
Ad-Hoc Chairperson

Attachments : PAC Info.

" Silence Is Consent "

THE FOLLOWING DATA IS ON FORMS FILED WITH THE ALASKA PUBLIC OFFICES COMMISSION, ANCHORAGE, ALASKA. THIS IS PUBLIC INFORMATION.

POTLATCH PAC (CIRI)
EXPENDITURES AND INCOME FOR 1994

DATE	TO/FROM	CK NO.	EXPENSE	INCOME
4/8/94	JIM KUBITZ-MAYOR	238	\$250	
4/15/94	CIRI			\$10,000
5/9/94	MYSTROM-MAYOR	239	500	
6/27/94	JIM CAMPBELL	259	1,000	
6/27/94	KNOWLES-GOV	260	500	
7/20/94	RICHARD FOSTER	261	250	
7/20/94	IVAN IVAN	262	250	
8/8/94	STATE OF AK - FINE	263	10	
8/17/94	EILEEN MACLEAN	264	250	
8/23/94	PETE KOTT	265	250	
8/31/94	LARRY BAKER	266	1,000	
8/31/94	MIKE NAVARRE	267	500	
9/9/94	PEAK OILFIELD SERVICES (CIRI)			\$10,000
9/9/94	CONSTRUCTION MACHINERY INC. (CIRI)			5,000
9/15/94	GAIL PHILLIPS	268	1,000	
9/15/94	GARY DAVIS	269	1,000	
9/21/94	AMA PAC (AK MINERS ASSN)	270	100	
9/21/94	SENATE REPUBLICAN LEADERSHIP COUNCIL	271	2,500	
9/21/94	AL VEZEY	272	1,000	
9/29/94	TIM KELLY	273	1,000	
9/30/94	MIKE NAVARRE	274	250	
9/30/94	SUZANNE LITTLE	275	200	
9/30/94	MIKE MILLER - LT GOV	276	1,000	
10/10/94	CAPT COOK HOTEL-FUNDRAISER BEV HASEK	277	491.62	
10/11/94	LYDA GREEN	278	500	
10/12/94	HACKIE - HOUSE	279	500	
10/13/94	DRUE PEARCE	280	500	
10/13/94	DRUE PEARCE	281	500	
10/13/94	CYNTHIA TOOHEY	282	250	
10/13/94	ROKEBURG	283	250	
10/13/94	RICHARD FOSTER	284	250	
10/14/94	EILEEN MACLEAN	285	500	
10/14/94	TONY KNOWLES	286	500	
10/20/94	GEORGIANNA LINCOLN	287	500	
10/25/94	ELDON MULDER	288	500	
10/26/94	FRAN ULMER - LT GOV	289	1,000	
10/26/94	RAHONA BARNES	290	1,000	
10/26/94	PAT RODEY	291	500	
10/26/94	JIM DUNCAN	292	250	
11/3/94	DALE WUNDERLICH	293	200	
11/9/94	ALAN AUSTERMAN	294	500	
11/9/94	ROBIN TAYLOR	295	500	
11/22/94	ROKEBURG - HOUSE	296	250	
11/22/94	ROKEBURG	297	250	
11/30/94	STATE OF ALASKA - FINE	298	300	
12/1/94	JUDY SALO	299	250	
12/16/94	FRED ZHAROFF	300	250	
12/30/94	RICK HALFORD	301	250	
			23,551.62	

THE FOLLOWING DATA IS ON FORMS FILED WITH THE ALASKA PUBLIC OFFICES COMMISSION-ANCHORAGE, ALASKA. THIS IS PUBLIC INFORMATION.

POTLATCH PAC (CIRI)
EXPENDITURES AND INCOME FOR 1993

DATE	TO/FROM	CK NO.	EXPEN.	INCOME
2/10/93	EDDIE BURKE	222	\$200	
3/19/93	MARILYN HEIMAN	223	500	
9/15/93	CIRI			\$10,000
7/15/93	ST OF AK: FINE		25	
8/25/93	TIM KELLEY		500	
8/26/93	GAIL PHILLIPS	226	200	
9/21/93	DON GILLMAN	227	500	
9/22/93	DRUE PEARCE	228	500	
10/8/93	FRAN ULMER (LT. GOV)	240	250	
10/14/93	EILEEN MACLEAN	220	250	
10/22/93	RAMONA BARNES	230	1,000	
11/3/93	LARRY BAKER	231?	500	
11/4/93	HEATHER FLYNN	232	500	
11/30/93	CAMPBELL (GOV)	233	250	
12/2/93	JIM KUBITZ	236	250	
12/2/93	GARY DAVIS	241	250	
12/21/93	STEVE REIGER	242	500	
12/21/93	LARRY BAKER	243	500	
12/21/93	JOHNNY ELLIS	244	250	
12/21/93	JERRY MACKIE	246	250	
12/21/93	KAY BROWN	247	250	
12/21/93	JIM DUNCAN	248	250	
12/21/93	RICHARD FOSTER	249	250	
12/21/93	BRIAN PORTER	251	250	
12/21/93	AL VEZEY	252	250	
12/21/93	MIKE NAVARRE	253	200	
12/21/93	PETE KOTT	254	100	
12/21/93	BILL WILLIAMS	255	250	
12/21/93	JERRY SANDERS (CK NOT CASHED)	257	250	
12/21/93	GEORGIANNA LINCOLN	258	250	

EXPENDITURES AND INCOME FOR 1992
(These figures are on forms reported on and filed with APOC office-Anch)

DATE	TO/FROM	CK. NO.	EXPENSE	INCOME
1/6/92	JIM ZAWACKI	181	\$ 250	
1/7/92	DRUE PEARCE	182	500	
3/19/92	JAY KERTTULA	183	500	
5/7/92	PAT RODEY	184	1,000	
6/11/92	GEORGIANNA LINCOLN--VOID---	185	-- 250	VOID
6/24/92	ELDON MULDER	186	200	
7/7/92	RAMONA BARNES	187	200	
8/6/92	EILEEN MACLEAN	188	500	
8/12/92	LARRY BAKER	189	500	
9/3/92	ELEANOR OAKLEY	190	250	
9/8/92	CIRI			\$10,000
10/8/92	DRUE PEARCE	191	500	
10/8/92	JUDY SALO	192	250	
10/8/92	LARRY BAKER	193	500	
10/8/92	SUZANNE LITTLE	194	250	
10/8/92	JIM DUNCAN	195	250	
10/8/92	JOHNNY ELLIS	196	250	
10/8/92	TIM KELLY	197	500	
10/8/92	STEVE RIEGER	198	500	
10/8/92	AL ADAMS	199	500	
10/8/92	FRED ZHAROFF	200	500	
10/8/92	GEORGE JACKO	201	250	
10/8/92	GEORGIANNA LINCOLN	202	250	
10/8/92	ANDY MACK	203	100	
10/8/92	JOE GREEN	204	100	
10/8/92	NORMAN ROKEBERG	205	100	
10/8/92	BRIAN PORTER	206	250	
10/8/92	JERRY MACKIE	207	250	
10/8/92	FRAN ULMER	208	250	
10/8/92	BEN GRUSSENDORF	209	100	
10/8/92	MIKE NAVARRE	210	250	
10/8/92	KAY BROWN	211	250	
10/8/92	DAVID FINKELSTEIN	212	100	
10/8/92	EILEEN MACLEAN	213	250	
10/8/92	RICHARD FOSTER	214	100	
10/8/92	LYMAN HOFFMAN	215	250	
10/8/92	BUZZ HOFFMAN	216	250	
10/8/92	RAMONA BARNES	217	500	
10/8/92	ELDON MULDER	218	250	
10/8/92	SUSAN KERNES	219	250	

THE FOLLOWING DATA IS ON FORMS REQUIRED TO BE FILED WITH THE STATE OF ALASKA PUBLIC OFFICES COMMISSION, ANCHORAGE OFFICE.

CONTRIBUTIONS TO RAMONA BARNES

DATE	FROM	CHECK #	AMOUNT
10/20/93	POTLATCH PAC-CIRI	230	\$1,000
12/15/93	CARL MARRS, CIRI	7426	250
10/28/94	POTLATCH PAC-CIRI	290	1,000
11/2/94	ICE BLOC PAC	3142	250

CONTRIBUTIONS TO PETE KOTT

8/24/93	POTLATCH PAC-CIRI	254	\$ 250
12/21/94	POTLATCH PAC-CIRI	265	100

CONTRIBUTIONS TO CAMPBELL-MILLER

6/2/93	ROY HUHDORF	1606	\$ 500
6/3/93	LYDIA HAYES	241	400
6/3/93	CONSTRUCTION MACHINERY	1084	1,000
6/3/93	CARL MARRS	6770	500
10/11/93	CARL MARRS	CASH	100
10/11/93	GERALD BOOTH	237/293	300
11/3/93	EMILY MARRS	8650	500
11/30/93	POTLATCH	233	250
10/1/94	POTLATCH	276/	\$2,000
10/10/94	PARKER DRILLING CO.	3546/3547	2,000
10/27/94	ROY HUHDORF, PRES CIRI	2685	250
10/27/94	CARL MARRS, VP CIRI	7194	250
10/27/94	PATRICK MARRS, COMMUNICATIONS NORTH	561	500
10/28/94	GERRY BOOTH, VP CIRI		500

CONTRIBUTIONS TO FRAN ULMER

3/29/94	PARKER DRILLING	3381	\$ 250
	PARKER DRILLING/CIRI	2433	250
4/18/94	CONSTRUCTION MACHINERY INC. MS2022		1,000 CIRI Subsidiary
4/25/94	PEAK OILFIED SERVICES	03541	1,000 " "
6/24/94	CHARLES ANDERSON	5174	250 CIRI Board Member
6/27/94	POTLATCH PAC		1,000
6/28/94	CHARLENE HUHDORF	2441	500
6/28/94	CARL MARRS, VP CIRI	7145	500
6/28/94	KIRK MCGEE, VP CIRI	2349	300
6/28/94	JOHN MONFOR, VP CIRI	1865	250
6/28/94	GERALD BOOTH, VP CIRI	309	250




POTLATCH PAC

ARRIVED

April 7, 1994

APR 11 1995

APOC-ANCH
PM 

Greg Granquist
Research Analyst
Alaska Public Offices Commission
2221 East Northern Lights, Room 128
Anchorage, AK 99508-3598

Dear Mr. Granquist:

Potlatch PAC has had a change in its officers. The new officers, effective April 17, are:

Chair	Carl H. Mars
Treasurer	Barbara Donatelli
Deputy Treasurer	Pamela King
Other Principal Officer	Roy M. Huhndorf

The mailing address for all of Potlatch PAC's officers is PO Box 93330, Anchorage, AK 99509-3330; the telephone number is (907) 274-8638.

Sincerely,

POTLATCH PAC

Pamela King

Pamela King
Deputy Treasurer

pk/02/000.11

Enclosure

Paid for by Potlatch PAC • Carl H. Marrs, Chairman
CIP Building • 2525 "C" Street • P.O. Box 93330 • Anchorage, Alaska 99509-3330
(907) 274-8638 • Fax (907) 279-8836

Date: 04/13/95 ALASKA PUBLIC OFFICES COMMISSION 94' Contributions over \$250 by Contributor Page: 1
For Contributor: CONSTRUCTION MACHINERY

Contributor Recipient	SIC Contribution Date	Occupation/Bus Type	Amount
CONSTRUCTION MACHINERY, INC. KEN GERANDALE	1600	HEAVY EQUIP. SA	
FLYNN, HEATHER	02/24/94		1,000.00
FRANK COMMITTEE	09/02/94		1,000.00
MYSTROM, RICK	02/15/94		1,000.00
MYSTROM, RICK	04/11/94		1,000.00
POTLATCH PAC	09/07/94		5,000.00
**** SUBTOTAL ****			9,000.00

Please note: This is a CIR/ Subsidiary

DISCLAIMER: This report lists ONLY information found on FORM 15-5 (contributions over \$250 reported by individuals, organizations and businesses). It does NOT include contributions reported by political parties, political action groups (PACS), or other groups. This database contains information which staff has entered to date. Incomplete data entry may result in inaccurate or incomplete information. For a more complete picture of candidate activity, see candidate and group reports.

CIRI agrees to \$14,050 fine in committees dispute

By MARILEE ENGE
Daily News reporter

Cook Inlet Region Inc. has agreed to pay a \$14,050 fine to the Alaska Public Offices Commission to settle charges that the Nativia corporation's political action committee illegally funneled campaign contributions through another PAC. CIRI does not admit the allegation.

Commissioners today will

consider whether to accept the settlement.

APOC alleges that in October 1986, CIRI PAC gave \$1,600 to Citizens for Alaskan Progress, another CIRI-controlled political action committee, which used the money to contribute to two political candidates.

The commission's staff said that such a contribution is illegal because CIRI PAC and CAP are controlled by

the same shareholders. The contributions allegedly were excessive because CIRI PAC already had given to the two candidates, according to a report by APOC investigator Mike Huelsman.

The two committees failed to register as a group, made contributions in the name of another and made contributions in excess of \$1,000, all in violation of state law, the APOC charged.

CIRI PAC gave \$1,000 to Rep. Mike Navarre, D-Kenai, and \$1,000 to Sen. Pat Rodey, D-Anchorage, in 1986. On Oct. 15, CIRI PAC wrote a check for \$1,600 to Citizens for Alaskan Progress, which on the same day wrote checks for \$1,000 to Rodey and \$600 to Navarre.

As part of the agreement, CIRI will disband Citizens for Alaskan Progress.

APOC may fine 2 PACs

CIRI offer not good
enough, official says

By JOHN TETPON
Daily News reporter

A Native corporation whose political action committees are facing a substantial fine from the Alaska Public Offices Commission has offered to disband one PAC to make restitution for allegedly breaking campaign disclosure laws.

But the offer is not good enough, according to Mike Huelsman, a commission investigator.

"That's a positive step — one of many that is needed to resolve this matter," Huelsman said Friday.

He said the PACs created by the Cook Inlet Region Inc. — considered one committee disguised as separate entities — could be fined more than \$35,000. He could not say what other penalties might be sought because the investigation is not complete.

CIRIPAC and Citizens for Alaskan Progress — another CIRI-controlled PAC — are charged with breaking campaign disclosure laws by combining to give more than the allowable amount of money to two political candidates in 1986.

The commission is looking into allegations that CIRIPAC gave \$1,000 each to two political candidates, then had CAP contribute additional money.

According to the complaint,

CAP gave \$1,000 to the campaign of Sen. Pat Rodey, D-Anchorage, and \$600 to Rep. Mike Navarre, D-Kenai, after CIRIPAC made contributions to them during the 1986 election year.

Huelsman said CAP gave the money to the candidates when it had only \$5 in its bank account. A day later, he said, CAP received a check for \$1,600 from CIRIPAC to cover the contribution.

Under state law, a corporation that has two or more officers serving as officials in subsidiary companies cannot give more than \$1,000 to any one candidate.

Roy Huhndorf, president of Cook Inlet Region Inc., is the chairman of CIRIPAC. Huelsman said the same officers of CIRIPAC also control CAP, and the commission staff believes both are, in fact, only one political action committee. Neither Huhndorf nor the

officers of either PAC could be reached for comment.

Charles A. Dunnagan, the attorney for CAP, said in a September letter to the public offices commission that the committee is broke and he offered to dissolve it.

"I know of no better way of demonstrating our genuine concern or following through on our assertions that we will not willingly or knowingly condone violations of Alaska's campaign disclosure laws," said Dunnagan, a former commission member.

Citizens For Alaskan Progress was established by the Cook Inlet Housing Authority, a housing development organization that operates under the umbrella of the Cook Inlet Tribal Council. The council is the non-profit arm of Cook Inlet Region Inc.

CIRI is one of 13 Native regional corporations created under the Alaska Native Claims Settlement Act of 1971.

ALASKA PUBLIC OFFICES COMMISSION
Summary of Lobbying Activities by Employer or Client
January - December, 1994

Name of Client/Employer	Name of Lobbyist	Fee or Salary	Lobbyist Expenses	Client or Employer Expenses	Total
CITY OF ATKA	HICKEY, MARK	7500	0	0	7500
CITY OF BETHEL	MACKLIN, SHARON	25000	0	0	25000
CITY OF CORDOVA	URION, RICK	30000	0	0	30000
CITY OF CRAIG	CUADRA, ELIZABETH	0	0	0	0
CITY OF DILLINGHAM	REINWAND, JERRY	15000	0	0	15000
CITY OF HAINES	AK SERVICES, GROUP	10000	0	0	10000
CITY OF HOMER	GRAVO, MITCHELL	50000	0	0	50000
CITY OF KAKE	MARKLEY, LAWRENCE	5000	0	0	5000
CITY OF KENAI	REED, ASHLEY	24000	0	0	24000
CITY OF KING COVE	COTTEN, LAMAR	16500	3337	0	19837
CITY OF KING COVE	HICKEY, MARK	16500	0	0	16500
CITY OF KODIAK	KUBLEY, DON	32172	1832	128	34132
CITY OF KOTZEBUE	ROBERTSON, MONAGLE	24000	210	0	24210
CITY OF PILOT POINT	REINWAND, JERRY	4000	0	0	4000
CITY OF SAINT GEORGE	KITO, JR., SAM	20000	0	0	20000
CITY OF SAINT PAUL	GRUENING, CLARK	13692	71	0	13763
CITY OF SEWARD	DAWSON, V. KENT	70004	3747	430	74181
CITY OF SKAGWAY	AK SERVICES, GROUP	5000	0	0	5000
CITY OF UNALASKA	GILLESPIE, RAYMOND	64286	1722	9224	75232
CITY OF VALDEZ	TRUST, CONSULTANT	38550	2563	0	41113
CITY OF WHITTIER	GRAVO, MITCHELL	12500	0	724	13224
CITY OF WRANGELL	KUBLEY, DON	17500	1630	0	19130
COEUR d'ALENE MINES	GRUENING, CLARK	16000	0	0	16000
COMINCO ALASKA, INC.	DAWSON, V. KENT	36000	866	0	36866
COOK INLET REGION, INC.	MARRS, CARL	7500	8357	0	15857
COOK INLET REGION, INC.	REED, ASHLEY	48000	0	0	48000
COPPER RIVER SCHOOL DISTRICT	SACKETT, JOHN	40000	0	0	40000
COPPER VALLEY ELECTRIC ASSN	EVANS, ROBERT	40002	456	6442	46900
CORDOVA FISHERMEN UNITED	MCCUNE, JERRY	10050	0	0	10050

GOLDBELT'S
 SHAREHOLDERS FOR GIRL'S FUTURE
 ANCHORAGE, ALASKA
 (907) 563-7912

May 5, 1995

The Honorable Senator Rick Halford
 Juneau, Alaska

Dear Senator Halford:

This letter is to object to HB 251. We are the Alaska Natives in Anchorage who started the initial recall election against the Board of Directors for Goldbelt. The recall effort was started by a grassroots movement of shareholders and spread throughout the State of Alaska. The recall effort was because of a culmination of years of frustration of thwarted efforts on the then management's part of ignoring shareholder rights to even speak at the shareholders meetings. We have had several regional corporations who, in fact, have turned off the microphones on us when we speak so other shareholders would be kept in the dark as to what was actually occurring. Even today we are hearing from other corporations who want us to help them with their recall petitions. Since the introduction of HB251 shareholders throughout the State have been contacting us to request that this bill tabled. We have heard from shareholders in Juneau, Kenai, Seattle, Barrow, Kodiak, Niniiluk, Eagle River, Fairbanks, Sitka, Bristol Bay, Koniag, Doyon - to name a few.

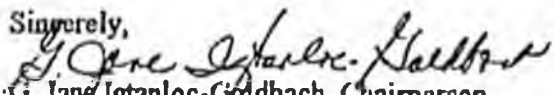
We are joining forces and intend to stick tog, ther because we all have one thing in common: WE DO NOT WANT THIS BILL PASSED!!!!

It is our belief that HB 251 is an additional effort on the behalf of the regional corporations to monopolize control of the corporation - not for the good of the sharcholders - but to further monopolize control of the corporation. We have been advised by some shareholders that they are so disgusted with this bill that they would like for us to begin a process to liquidate the corporations. Their justification is "At least we will have some say as to how the monies are spent."

We are aware that last year a similar bill, HB 501, was introduced. On May 9, 1994 Paul Fuhs, the then Commission of Commerce and Economic Department, wrote to The Honorable Brain Porter commenting on such a bill. We have enclosed a copy of Commissioner Fuhs' letter for your consideration. We believe that his response succinctly expresses our veiwpoints.

Quite frankly, the word among the shareholders is "You support us and we'll support you."

Sincerely,


 G. Jane Igtanloc-Goldbach, Chairperson,
 Shareholders for Goldbelt's Future - Anchorage

Corp. Code

*Porter
SC*

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

P.O. BOX 110800
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2500
FAX: (907) 465-5442

May 9, 1994

The Honorable Brian S. Porter, Chairman
House Judiciary Committee
House of Representatives
State Capitol, Room 118
Juneau, AK 99801-1182

Dear Representative Porter:

Re: HB 501- "An Act Relating to Native Corporations;
and Providing for an Effective Date"

House Bill (HB) 501, before you for consideration, deals primarily with the fundamental rights of Alaska Native Shareholders to redress their corporations through the petition process.

The ability of Alaska Native Claims Settlement Act (ANCSA) shareholders to vote their stock and to petition for special meetings to address issues or grievances, real or imagined, is the essential, singular process available to shareholders. Unlike a shareholder in any other corporation, a Native Claims Settlement Act shareholder cannot simply dispose of his stock through sale if he or she is dissatisfied with the course or direction or policies of the corporation.

House Bill 501 imposes very strict standards and procedures on the entire petition process and, moreover, essentially puts the corporate officers and directors in charge of the venue. More often than not, these are the very same people who are the target of the petition or recall initiated by the shareholders. *FOX & chickens*

There is no question that the petition process can be disruptive to ANCSA and corporations. When the process is abused, it is not only an annoyance but can be costly as well. Since inception of ANCSA, there have been a number of petitions undertaken by shareholders seeking special meetings for a variety of purposes, some of which are advisory to the board, and others seeking partial or total recall of the boards. These latter recall efforts have not met with success in any instance given the majority of outstanding share requirements imposed by the existing statute. Nonetheless, a message was delivered by dissident shareholders that could not be ignored by management. The restrictive language proposed by HB 501 will tend to quiet the voice of dissent in ANCSA corporations and make the petition process difficult for shareholders to utilize.

Brian S. Porter

-2-

May 9, 1994

In situations arising out of disputes in proxy contests, we always attempt to take the role of the common shareholder in our arbitration and/or administrative process. Here, likewise, we attempt to posit the view of the common shareholder who will have to deal with the complexities of the proposed legislation. What we have here are significant (albeit well intentioned) hurdles that will make the petition process unusable for the most part. While the existing statutory scheme has resulted in some tumult, inconvenience, and expense to certain ANCSA entities who have been the focus of shareholder petitions, we submit that the process basically works and doesn't need fixing.

We would also point out that while ANCSA shareholders are different in the sense that their stock is for the most part inalienable, the corporations themselves are formed under Alaska law and the proposed legislation would further denigrate the uniformity of the Corporate Code as it applies to shareholder rights for all Alaska corporate entities. A dual standard would ensue resulting in more stringent rules for ANCSA shareholders who already lack the ability to simply sell their stock if they are dissatisfied a course of action which any other Alaska shareholder could utilize.

With respect to the specific questions you have asked, Item 1 be advised that the division believes that a ten percent requirement for the percentage required for director removal petitions is adequate and sufficient and should not be enlarged. Item 2 regarding the proposed procedures for shareholders petitions, we do not advise the amending of existing law and with respect to setting time limits for petitioners, be advised that no action can, in fact, take place until the petition is, in fact, filed with the corporation and the corporation is free to respond any shareholder action in the interim. So this is a no-harm, no-foul situation and I do not see that placing of these restrictive dates will benefit the information flow to shareholders. Item 3, bill seeks clarification that ten percent of the shareholders rather than a single shareholder can begin the petition process and, thereby, force a special meeting. By and large, it is an individual who initiates these processes and I do not believe that it is even enforceable to suggest that you have to have ten percent to even begin the process. Certainly one individual must start, at some point and some time, to gather these signatures and, here again, we do not feel that more restrictive language is appropriate.

While corporations have been inconvenienced, we hasten to point out that in no situation have shareholders successfully removed a board, although they have been able to impart their message. We would be willing to work with you on these issues.

Sincerely



Paul Fuhs
Commissioner

PF/ra035.bac
050994a

DATE: 5/6/95

TO: SENATORS

FROM: SHAREHOLDERS AGAINST HB 251
+
FRIENDS

Following is a petition against HB 251. Shareholders for CIRI's Future Committee member Mary Rastetter has been collecting signatures.

Thank you for your time
& assistance in KILLING this BILL!

Delia Alexander-Calvete
AD HOC Chairperson, SFCF
(907) 349-1546



Doyon, Limited

Doyon Building
201 First Avenue
Fairbanks, Alaska 99701
Tel: (907) 452-4755 Fax: (907) 456-6785
Toll Free in Alaska: 1-800-478-4755

RECEIVED
MAY 03 1995

Ans'd.....

VIA TELEFAX

7 NB257

May 2, 1995

The Honorable John Torgerson
The State Senate
State Capitol, Room 427
Juneau, Alaska 99801-1182

RE: Funding for the Alaska Native Foundation's ANCSA 14(c) Program

Dear Senator Torgerson:

I am sending this letter to voice my concern about the elimination of funding for the Alaska Native Foundation's 14(c) program. The program has been funded through the Community and Regional Affairs Department since 1979.

Without funding, it is likely title to land in Alaska's villages will never be cleared. Businesses, churches, and individual land holders will not receive title, nor will local governments receive land for community or economic development. (Only 59 of 210 village corporations have completed their 14(c) obligations.)

Please reconsider funding the 14(c) program.

Sincerely,

Morris Thompson
President and C.E.O.



Official Business

COMMITTEES
Vice-Chairman, Transportation
Member
Labor & Commerce

Alaska State Legislature

Chairman - International Trade & Tourism

REPRESENTATIVE
BEVERLY MASEK

Willow
H C 89, Box 251
Willow, Alaska 99688
(907) 495-6812

State Capitol
Juneau, AK 99801-1182
(907) 465-2679

MEMORANDUM

TO: ALL HOUSE MEMBERS

FROM: REP. BEVERLY MASEK *BM*

DATE: MAY 2, 1995

RE: CSHB 251

I noticed in the bill packets there were some letters in support of CSHB 251.

Attached please find as Paul Harvey likes to put it, "The rest of the story".

In over ten hours of exhaustive testimony 95 % of those testifying were strongly opposed to this bill. Additionally 95% of the written material I have received has been in opposition to HB-251.

Since there was only one Committee of referral on this legislation I thought it would be important for those of you who might be relying on the information in the packets to realize how many people strongly oppose this legislation.

FAX 465-2294

Rep. Beverly Masek

3-27-95

HR 251
~~HR 251~~

Please have your office make copies for each committee member.

I'll be at the teleconference at 3:15 today. Sharon Kay 345-7844
Howard Rudolph 338-2507

NOTE - pg. 40 (h) (1) underlined.

NOTE - pg. 419 underlined it states 10%

Note pg 420 underlined

Note pg. 423 (c) Shareholder Petition - please note the underlined.

This section is where CIRIS lawyer Mark Kroloff was referring to bringing Alaska State Status in line with ANCSA. It was a very misleading statement. It only relates to issuance of stock, alienation of stock & amendments & resolutions relating to common stock. This section has no correlation whatsoever with shareholder petitioning for a special meeting, or a special meeting to recall the entire board.

19

December 18, 1971

Pub. Law 92-203

85 STAT. 692

Any dispute over the boundaries of a region or regions shall be resolved by a board of arbitrators consisting of one person selected by each of the Native associations involved, and an additional one or two persons, whichever is needed to make an odd number of arbitrators, such additional person or persons to be selected by the arbitrators selected by the Native associations involved.

Boundary dis-
putes, arbi-
tration.

(b) The Secretary may, on request made within one year of the date of enactment of this Act, by representative and responsible leaders of the Native associations listed in subsection (a), merge two or more of the twelve regions: *Provided*, That the twelve regions may not be reduced to less than seven, and there may be no fewer than seven Regional Corporations.

Region merge.

Limitation.

(c) If a majority of all eligible Natives eighteen years of age or older who are not permanent residents of Alaska elect, pursuant to subsection 3(c), to be enrolled in a thirteenth region for Natives who are non-residents of Alaska, the Secretary shall establish such a region for the benefit of the Natives who elected to be enrolled therein, and they may establish a Regional Corporation pursuant to this Act.

Thirteenth
region.

(d) Five incorporators within each region, named by the Native association in the region, shall incorporate under the laws of Alaska a Regional Corporation to conduct business for profit, which shall be eligible for the benefits of this Act so long as it is organized and functions in accordance with this Act. The articles of incorporation shall include provisions necessary to carry out the terms of this Act.

Incorporation.

(e) The original articles of incorporation and bylaws shall be approved by the Secretary before they are filed, and they shall be submitted for approval within eighteen months after the date of enactment of this Act. The articles of incorporation may not be amended during the Regional Corporation's first five years without the approval of the Secretary. The Secretary may withhold approval under this section if in his judgment inequities among Native individuals or groups of Native individuals would be created.

(f) The management of the Regional Corporation shall be vested in a board of directors, all of whom, with the exception of the initial board, shall be stockholders over the age of eighteen. 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.

Management.

(g) The Regional Corporation shall be authorized to issue such number of shares of common stock, divided into such classes of shares as may be specified in the articles of incorporation to reflect the provisions of this Act, as may be needed to issue one hundred shares of stock to each Native enrolled in the region pursuant to section 5.

Stock,
issuance.

(h) (1) Except as otherwise provided in paragraph (2) of this subsection, stock issued pursuant to subsection (g) shall carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to stockholders, shall permit the holder to receive dividends or other distributions from the Regional Corporation, and shall vest in the holder all rights of a stockholder in a business corporation organized under the laws of the State of Alaska, except that for a period of twenty years after the date of enactment of this Act the stock, inchoate rights thereto, and any dividends paid or distributions made with respect thereto may not be sold, pledged, subjected to a lien or judgment execution, assigned in present or future, or otherwise alienated: *Provided*, That such limitation shall not apply to transfers of stock pursuant to a court decree of separation, divorce or child support.

Stockholders'
rights.

← NOTE

THE FOLLOWING PAGES MAY
NOT FILM LEGIBLY BECAUSE OF
THE POOR QUALITY OF THE ORIGINAL

PUBLIC LAW 100-241--FEB. 3, 1988

101 STAT. 1793

"(X) RIGHTS AND RESTRICTIONS.—(A) Except as otherwise expressly provided in this Act, Settlement Common Stock of a Regional Corporation shall—

"(i) carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to shareholders;

"(ii) permit the holder to receive dividends or other distributions from the corporation; and

"(iii) vest in the holder all rights of a shareholder in a ~~business corporation organized under the laws of the State.~~

"(B) Except as otherwise provided in this subsection, Settlement Common Stock, inchoate rights therein, and rights to dividends or distributions declared with respect thereto shall not be—

"(i) sold;

"(ii) pledged;

"(iii) subjected to a lien or judgment execution;

"(iv) assigned in present or future;

"(v) treated as an asset under—

"(I) title 11 of the United States Code or any successor statute,

"(II) any other insolvency or reorganization law, or

"(III) other laws generally affecting creditors' rights; or

"(vi) otherwise alienated.

"(C) Notwithstanding the restrictions set forth in subparagraph (B), Settlement Common Stock may be transferred to a Native or a descendant of a Native—

"(i) pursuant to a court decree of separation, divorce, or child support;

"(ii) by a holder who is a member of a professional organization, association, or board that limits his or her ability to practice his or her profession because he or she holds Settlement Common Stock; or

"(iii) as an inter vivos gift from a holder to his or her child, grandchild, great-grandchild, niece, or nephew.

"(D) INHERITANCE OF SETTLEMENT COMMON STOCK.—(A) Upon the death of a holder of Settlement Common Stock, ownership of such stock (unless conveyed in accordance with subsection (X)(B)(iii)) shall be transferred in accordance with the lawful will of such holder or pursuant to applicable laws of intestate succession. If the holder fails to dispose of his or her stock by will and has no heirs under applicable laws of intestate succession, the stock shall escheat to the issuing Regional Corporation and be canceled.

"(B) The issuing Regional Corporation shall have the right to purchase at fair value Settlement Common Stock transferred pursuant to applicable laws of intestate succession to a person not a Native or a descendant of a Native after the date of the enactment of the Alaska Native Claims Settlement Act Amendments of 1987 if—

"(i) the corporation—

"(I) amends its articles of incorporation to authorize such purchases, and

"(II) gives the person receiving such stock written notice of its intent to purchase within ninety days after the date that the corporation either determines the decedent's heirs in accordance with the laws of the State or receives notice that such heirs have been determined, whichever later occurs; and

* NOTE

PUBLIC LAW 100-241—FEB. 3, 1988

101 STAT. 1795

dinate family who are Natives or descendants of Natives, the first right to purchase, on reasonable terms, the Replacement Common Stock of the shareholder prior to the sale or transfer of such stock (other than a transfer by will or intestate succession) to any other party, including a transfer in satisfaction of a lien, writ of attachment, judgment execution, pledge, or other encumbrance; and

(iii) any other term, restriction, limitation, or provision authorized by the laws of the State.

"(E) Replacement Common Stock shall not be subjected to a lien or judgment execution based upon any asserted or unasserted legal obligation of the original recipient arising prior to the issuance of such stock."

VILLAGE, URBAN, AND GROUP CORPORATIONS

Sec. 6. Subsection (c) of section 3 (48 U.S.C. 1607(c)) is amended to read as follows:

"(c) APPLICABILITY OF SECTION 7.—The provisions of subsections (a), (b), and (d) of section 7 shall apply in all respects to Village Corporations, Urban Corporations, and Group Corporations."

PROCEDURES FOR CONSIDERING AMENDMENTS AND RESOLUTIONS

Sec. 7. The Alaska Native Claims Settlement Act is further amended by adding the following new section:

"PROCEDURES FOR CONSIDERING AMENDMENTS AND RESOLUTIONS"

"Sec. 28. (a) COVERAGE.—Notwithstanding any provision of the articles of incorporation and bylaws of a Native Corporation or of the laws of the State, except those related to proxy statements and solicitations that are not inconsistent with this section—

(1) an amendment to the articles of incorporation of a Native Corporation authorized by subsections (a) and (b) of section 7, subsection (d)(1)(B) of this section, or section 37;

(2) a resolution authorized by section 29(A)(1);

(3) a resolution to establish a Settlement Trust; or

(4) a resolution to convey all or substantially all of the assets of a Native Corporation to a Settlement Trust pursuant to section 29(A)(1);

shall be considered in accordance with the provisions of this section.

(b) BOARD PROCEDURES.—(1) An amendment or resolution described in subsection (a) may be approved by the board of directors of a Native Corporation in accordance with its bylaws. If the board approves the amendment or resolution, it shall direct that the amendment or resolution be submitted to a vote of the shareholders at the next annual meeting or at a special meeting to be held at its discretion, schedules such special meetings. One or more such amendments or resolutions may be submitted to the shareholders and voted upon at one meeting.

(2)(A) A written notice (including a proxy statement if required under applicable law), setting forth the amendment or resolution approved pursuant to paragraph (1) (and, at the discretion of the board, a summary of the changes to be effected) together with any amendment or resolution submitted pursuant to subsection (a) and the statements described therein shall be sent, not less than fifty days nor more than sixty days prior to the meeting of the

NOTE →

shareholders, by first-class mail or hand-delivered to each shareholder of record entitled to vote at his or her address as it appears in the records of the Native Corporation. The corporation may also communicate with its shareholders at any time and in any manner authorized by the laws of the State.

"(B) The board of directors may, but shall not be required to, appraise or otherwise determine the value of—

Comments.

"(i) land conveyed to the corporation pursuant to section 140(X1) or any other land used as a cemetery;

"(ii) the surface estate of land that is both—

"(I) exempt from real estate taxation pursuant to section 507(X1XA) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 51 and following); and

"(II) used by the shareholders of the corporation for subsistence uses (as defined in section 503 of the Alaska National Interest Lands Conservation Act); or

"(iii) land or interest in land which the board of directors believes to be only of speculative value;

in connection with any communication made to the shareholders pursuant to this subsection.

"(C) If the board of directors determines, for quorum purposes or otherwise, that a previously ordered meeting must be postponed or adjourned, it may, by giving notice to the shareholders, set a new date for such meeting not more than forty-five days later than the original date without sending the shareholders a new written notice (or a new summary of changes to be effected). If the new date is more than forty-five days later than the original date, however, a new written notice (and a new summary of changes to be effected if such a summary was originally sent pursuant to subparagraph (A)), shall be sent or delivered to shareholders not less than thirty days nor more than forty-five days prior to the new date.

does not relate at all to petitioning for a special meeting, or a special meeting, or recall the board.
25% ↘

"(d) ~~Subparagraph (1)(A) With respect to an amendment authorized by section 7(g)(X)(E) or section 87(h) or an amendment authorizing the issuance of stock subject to the restrictions provided by section 7(g)(X)(E)(iii), the holders of shares representing at least 25 per centum of the total voting power of a Native Corporation may petition the board of directors to submit such amendment to a vote of the shareholders in accordance with the provisions of this section.~~

NOTE →

"(e) The requirements of the laws of the State relating to the solicitation of proxies shall govern solicitation of signatures for a petition described in subparagraph (A) except that the requirements of Federal law shall govern the solicitation of signatures for a petition that is to be submitted to a Native Corporation which at the time of such submission has listed a class of equity securities registered pursuant to the Securities Exchange Act of 1934. If a petition meets the applicable solicitation requirements and—

NOTE ←

"(i) the board agrees with such petition, the board shall submit the amendment and either the proponents' statement or its own statement in support of the amendment to the shareholders for a vote; or

"(ii) the board disagrees with the petition for any reason, the board shall submit the amendment and the proponents' statement to the shareholders for a vote and may, at its discretion, submit an opposing statement or an alternative amendment.

"(3) Paragraph (1) shall not apply to a Native Corporation that on or before the date one year after the date of enactment of the Alaska

PUBLIC LAW 100-241--FEB 3, 1988

101 STAT. 1797

Native Claims Settlement Act Amendments of 1987 elects application of section 37(d) in lieu of section 37(b). Until December 18, 1991, paragraph (1) shall not apply to a Native Corporation that elects application of section 37(c) in lieu of section 37(b), insofar as they are not inconsistent with this section, the laws of the State shall govern any shareholder right of action for Native Corporations.

NOTE

(d) Voting Standards.—(1) An amendment or resolution described in subsection (a) shall be considered to be approved by the shareholders of a Native Corporation if it receives the affirmative vote of shares representing—

- (A) a majority of the total voting power of the corporation, or
- (B) a level of the total voting power of the corporation greater than a majority (but not greater than two-thirds of the total voting power of the corporation) if the corporation establishes such a level by an amendment to its articles of incorporation.

(2) A Native Corporation in amending its articles of incorporation pursuant to section 7(c)(2) to authorize the issuance of a new class or series of stock may provide that a majority (or more than a majority) of the shares of such class or series must vote in favor of an amendment or resolution described in subsection (a) (other than an amendment authorized by section 37) in order for such amendment or resolution to be approved.

(e) Voting Power.—For the purposes of this section, the determination of total voting power of a Native Corporation shall include all outstanding shares of stock that carry voting rights except shares that are not permitted to vote on the amendment or resolution in question because of restrictions in the articles of incorporation of the corporation."

DURATION OF ALIENABILITY RESTRICTIONS

SEC. 8. The Alaska Native Claims Settlement Act is further amended by adding the following new section after section 36:

"DURATION OF ALIENABILITY RESTRICTIONS

"Sec. 37. (a) GENERAL RULE.—Alienability restrictions shall continue until terminated in accordance with the procedures established by this section. No such termination shall take effect until after December 18, 1991.

48 USC 1622

(b) Opt-Out Procedure.—(1)(A) A Native Corporation may amend its articles of incorporation to terminate alienability restrictions in accordance with this subsection. Only one amendment to terminate alienability restrictions shall be considered and voted on prior to December 18, 1991. Rejection of the amendment shall not preclude consideration prior to December 18, 1991, of subsequent amendments to terminate alienability restrictions.

(B) If an amendment to terminate alienability restrictions is considered, voted on, and rejected prior to December 18, 1991, then subsequent amendments to terminate alienability restrictions after December 18, 1991, shall be considered and voted on—

- (i) in the case of an amendment submitted by the board of directors of the corporation on its own motion, not earlier than five years after the rejection of the most recently rejected amendment to terminate restrictions; or

any provision of other Act is determined by a court of competent jurisdiction to be invalid, such invalidity shall not affect the validity of any other provision of either Act."

SECURITIES LAWS EXEMPTION

Sec. 14 Section 28 (48 U.S.C. 1625) is amended to read as follows:

"SECURITIES LAWS EXEMPTION

"Sec. 28. (a) A Native Corporation shall be exempt from the provisions, as amended, of the Investment Company Act of 1940 (61 Stat. 729), the Securities Act of 1933 (43 Stat. 76), and the Securities Exchange Act of 1934 (48 Stat. 881) until the earlier of the day after—

"(1) the date on which the corporation issues shares of stock other than Settlement Common Stock in a transaction where—

"(A) the transaction or the shares are not otherwise exempt from Federal securities laws; and

"(B) the shares are issued to persons or entities other than—

"(i) individuals who held shares in the corporation on the date of the enactment of the Alaska Native Claims Settlement Act Amendments of 1987;

"(ii) Natives;

"(iii) descendants of Natives;

"(iv) individuals who have received shares of Settlement Common Stock by inheritance pursuant to section 7(h)(2);

"(v) Settlement Trusts; or

"(vi) entities established for the sole benefit of Natives or descendants of Natives; or

"(2) the date on which alienability restrictions are terminated; or

"(3) the date on which the corporation files a registration statement with the Securities and Exchange Commission pursuant to either the Securities Act of 1933 or the Securities Exchange Act of 1934.

"(b) No provision of this section shall be construed to require or imply that a Native Corporation shall, or shall not, be subject to provisions of the Acts listed in subsection (a) after any of the dates described in subsection (a).

"(c)(1) A Native Corporation that, but for this section, would be subject to the provisions of the Securities Exchange Act of 1934 shall annually prepare and transmit to its shareholders a report that contains substantially all the information required to be included in an annual report to shareholders by a corporation subject to that Act.

"(2) For purposes of determining the applicability of the registration requirements of the Securities Exchange Act of 1934 on or after the date described in subsection (a), holders of Settlement Common Stock shall be excluded from the calculation of the number of shareholders of record pursuant to section 19(g) of that Act.

"(d)(1) Notwithstanding any other provision of law, prior to January 1, 2001, the provisions of the Investment Company Act of 1940 shall not apply to any Native Corporation or any subsidiary of such corporation if such subsidiary is wholly owned (as that term is

defined in the Investment Company Act of 1940) by the corporation and the corporation owns at least 95 per centum of the equity of the subsidiary.

"(2) The Investment Company Act of 1940 shall not apply to any Settlement Trust.

"(3) If, but for this section, a Native Corporation would qualify as an Investment Company under the Investment Company Act of 1940, it shall be entitled to voluntarily register pursuant to such Act and any such corporation which so registers shall thereafter comply with the provisions of such Act."

ELIGIBILITY FOR NEEDS-BASED FEDERAL PROGRAMS; MINORITY STATUS

Sec. 15. Section 29 (43 U.S.C. 1629) is amended by adding the following new subsections:

"(c) In determining the eligibility of a household, an individual Native, or a descendant of a Native (as defined in section 28(f)) to—

"(1) participate in the Food Stamp Program,

"(2) receive aid, assistance, or benefits, based on need, under the Social Security Act, or

"(3) receive financial assistance or benefits, based on need, under any other Federal program or federally-assisted program, none of the following, received from a Native Corporation, shall be considered or taken into account as an asset or resource:

"(A) cash (including cash dividends on stock received from a Native Corporation) to the extent that it does not, in the aggregate, exceed \$2,000 per individual per annum;

"(B) stock (including stock issued or distributed by a Native Corporation as a dividend or distribution on stock);

"(C) a partnership interest;

"(D) land or an interest in land (including land or an interest in land received from a Native Corporation as a dividend or distribution on stock), and

"(E) an interest in a settlement trust.

"(d) Notwithstanding any other provision of law, Alaska Natives shall remain eligible for all Federal Indian programs on the same basis as other Native Americans.

"(e)(1) For all purposes of Federal law, a Native Corporation shall be considered to be a corporation owned and controlled by Natives and a minority business enterprise if the Settlement Common Stock of the corporation and other stock of the corporation held by holders of Settlement Common Stock, and by Natives and descendants of Natives, represent a majority of both the total equity of the corporation and the total voting power of the corporation for the purposes of electing directors.

"(2) For all purposes of Federal law, direct and indirect subsidiary corporations, joint ventures, and partnerships of a Native Corporation qualifying pursuant to paragraph (1) shall be considered to be entities owned and controlled by Natives and a minority business enterprise if the shares of stock or other units of ownership interest in any such entity held by such Native Corporation and by the holders of its Settlement Common Stock represent a majority of both—

"(A) the total equity of the subsidiary corporation, joint venture, or partnership; and

§ 46.65.130 TRADE AND COMMERCE § 46.65.160

Sec. 45.55.130. (Renumbered as AS 45.55.980.)

Sec. 46.65.138. Application to Alaska Native Claims Settlement Act corporations. The initial sale of stock of a corporation organized under Alaska law pursuant to 43 U.S.C. 1601 — 1699 (Alaska Native Claims Settlement Act) is not a sale of a security under AS 46.65.070 and 45.55.130-139. (3 h ch 70 SLA 1972)

Cross reference — For purpose of 43 U.S.C. 1601 in the Temporary and Special Act enacting this section, see § 1 of 1972 Act.

Sec. 45.55.139. Reports of corporations. A copy of all annual reports, proxies, consents or authorizations, proxy statements and other materials relating to proxy solicitations distributed, published or made available by any person to at least 100 Alaska resident shareholders of a corporation that has total assets exceeding \$1,000,000 and a class of equity security held of record by 501 or more persons and which is exempted from the registration requirements of AS 45.65.070 by AS 45.65.138, shall be filed with the administrator concurrently with its distribution to shareholders. (3 h ch 70 SLA 1977)

NOTES TO DECISIONS

Construction of common law prohibition of materially false and misleading statements — For same construction of common law prohibition of materially false and misleading statements in proxy solicitations, see Brown v. Word, 623 P.2d 261 (Alaska 91)

Sec. 45.55.140. (Renumbered as AS 45.55.900.)

Sec. 45.55.150. Filing of sales and advertising literature. The administrator may by regulation or order require the filing of a prospectus, pamphlet, circular, form letter, advertisement, or other sales literature, or advertising material disseminated or intended for distribution to prospective investors including clients or prospective clients of an investment adviser. (3 h ch 198 S. A 1959, as § 12 ch 106 SLA 1961; am 4 14 ch 96 SLA 1972)

Sec. 45.55.160. Misleading filings. A person may not, in a document filed with the administrator or in a proceeding under this chapter, make or cause to be made an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading. (3 301 ch 105 S. A 1969; am § 13 ch 50 SLA 1972)

§ 45.55.920

TRADE AND COMMERCE

§ 45.55.920

expenses shall be paid out of the funds of the administrator in the same manner as other disbursements made by the administrator. The amounts paid from the funds of the administrator are a lien upon all of the assets and property in this state of the issuer, broker-dealer, agent, or investment adviser and the amount may be recovered by the attorney general on behalf of the state.

(d) Failure of the issuer, broker-dealer, agent, or investment adviser to pay fees and expenses under this section is a willful violation of this chapter and the violation falls within the provisions of AS 45.55.066, 45.55.120, 45.55.921 and 45.55.200. It is in effect of M.L.A. 1972.

Revisor's notes — Formerly AS 46.66.188. Renumbered in 1994.

Sec. 45.55.920. Orders, injunctions, and civil penalties. (a) If it appears to the administrator that a person has engaged or is about to engage in an act or practice in violation of a provision of this chapter or regulation or order under this chapter, the administrator may

(1) in the public interest or for the protection of investors, issue an order

(A) directing the person to cease and desist from continuing the act or practice;

(B) directing the person, for a period not to exceed three years, to file the annual reports, proxies, consents or authorizations, proxy statements, or other materials relating to proxy solicitations required under AS 45.55.139 with the administrator for examination and review 10 working days before a distribution to shareholders; and

(C) voiding the proxies obtained by a person required to file under AS 45.55.139, including their future exercise or actions resulting from their past exercise, if the proxies were collected by means of an untrue or misleading statement prohibited under AS 45.55.160, or

(2) bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter or regulation or order under this chapter, and upon a proper showing, the appropriate remedy must be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets; the court may not require the administrator to post a bond.

(b) The administrator may issue an order against an applicant, registered person, or other person who knowingly or intentionally violates this chapter or a regulation or order of the administrator under this chapter, imposing a civil penalty of not more than \$5,500 for a single violation, or not more than \$25,000 for multiple violations, in a single proceeding or a series of related proceedings.

(c) For violations not covered by (b) of this section, the administrator may issue an order against an applicant, registered person, or other person who violates this chapter or a regulation or order of the

administrator under this chapter, imposing a civil penalty of not more than \$600 for a single violation, or not more than \$5,000 for multiple violations, in a single proceeding or a series of related proceedings.

(d) Before issuing an order under (a)(1), (b), or (c) of this section, the administrator shall give reasonable notice of and an opportunity for a hearing. However, the administrator may issue a temporary order under (a)(1) of this section pending the hearing, which remains in effect until 10 days after the hearing is held and which becomes final if the person to whom notice is addressed does not request a hearing within 15 days after the receipt of notice. (AS 309 ch 196 SLA 1959; am § 1 ch 126 SLA 1969; am § 1 of 85 SLA 1981; am § 107 ch 18 SLA 1982; am § 2 ch 87 SLA 1989)

Reviser's notes. -- Formerly AS 46.65.290. Renumbered in 1991.

Sec. 45.55.925. Criminal penalties. In addition to the civil penalties assessed under AS 45.55.920, a person who willfully violates a provision of this chapter except AS 45.55.180, or who willfully violates a regulation or order under this chapter, or who willfully violates AS 45.55.160 knowing the statement made to be false or misleading in a material respect or the undertaking to be misleading by any material respect, upon conviction, is punishable by a fine of not more than \$5,000, or by imprisonment for not less than one year nor more than five years, or both. Upon conviction of an individual for a felony under this chapter, imprisonment for not less than one year is mandatory. However, an individual may not be imprisoned for the violation of a regulation or order if the individual proves that the individual had knowledge of the regulation or order. An indictment or information may not be returned under this chapter more than five years after the alleged violation.

(b) The administrator may refer the evidence that is available concerning violations of this chapter or a regulation or order under this chapter to the attorney general who may, with or without a referral, institute appropriate criminal proceedings under this chapter.

(c) Nothing in this chapter limits the power of the state to punish a person for conduct that constitutes a crime by statute or at common law. (AS 309 ch 196 SLA 1959; am § 1 ch 126 SLA 1969; am § 17 ch 17 SLA 1972; am § 3 ch 87 SLA 1989)

Reviser's notes. -- Formerly AS 46.55.910. Renumbered in 1991.

Samuel J. Fortier
FORTIER & MIKKO, P.C.
2550 Denali Street Suite 604
Anchorage, Alaska 99501
(907) 277-4222

Attorneys for Plaintiffs

Thomas A. Holman, Esq.
LEFRAK & HOLMAN, P.C.
575 Madison Avenue
New York, New York 10022

Co-Counsel and
Attorneys for Plaintiffs

FILED

DEC 02 1994

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

Bayview, Inc. Alaska Native Village
Corporations, on behalf of all Alaska
Native Village Corporations similarly
situated, and Lewis Olsen, on behalf
of himself and others similarly situated,

Plaintiffs

vs.

AHTNA, INC., ARCTIC SLOPE REGIONAL
CORPORATION, SERING STRAITS REGIONAL
CORPORATION, CALISTA CORPORATION, CHUGACH
ALASKA CORPORATION, COOK INLET REGION,
KONIAG, INC., DOYON, LIMITED, SEALASKA
CORPORATION, THE ALEUT CORPORATION, and
ROY S. EWAN, JACOB ADAMS, JACK CARPENTER
PIO PARK, MICHAEL E. BROWN, ROY M.
HUHNDORF, FRANK PAGANO, MARK THOMPSON,
LEC BARLOW, and ALICE PETRIVELLI,
INDIVIDUALLY,

Defendants.

and,

BRISTOL BAY NATIVE CORPORATION, and
NANA REGIONAL CORPORATION, INC.

Nominal Defendants.

PLAINTIFFS' CLASS
ACTION COMPLAINT

TRIAL BY JURY
DEMANDED

*Co-7-23 Re
Filing Status
Filed 12/2/94
by [initials]*

12/2/94

FORTIER & MIKKO A PROFESSIONAL CORPORATION 2550 DENALI STREET SUITE 604
ANCHORAGE, ALASKA 99503
TEL: PHONE (907) 277-4222 FAX LINE (907) 277-4221

Samuel J. Fortier
FORTIER & MIKKO, P.C.
2550 Denali Street Suite 604
Anchorage, Alaska 99501
(907) 277-4222

Attorneys for Plaintiffs

Thomas A. Holman, Esq.
LEFRAK & HOLMAN, P.C.
575 Madison Avenue
New York, New York 10022

Co-Counsel and
Attorneys for Plaintiffs

FILED

DEC 02 1994

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

Bayview, Inc. Alaska Native Village
Corporations, on behalf of all Alaska
Native Village Corporations similarly
situated, and Lewis Olsen, on behalf
of himself and others similarly situated,

Plaintiffs

vs.

ANTNA, INC., ARCTIC SLOPE REGIONAL
CORPORATION, BERING STRAITS REGIONAL
CORPORATION, CALISTA CORPORATION, CHUGACH
ALASKA CORPORATION, COOK INLET REGION,
KONIAG, INC., DOYON, LIMITED, SEALASKA
CORPORATION, THE ALEUT CORPORATION, and
ROY S. SWAN, JACOB ADAMS, JACK CARPENTER,
PIO PARK, MICHAEL E. BROWN, ROY M.
HUENDORF, FRANK PAGANO, MARK THOMPSON,
LEC BARLOW, and ALICE PETRIVICKI,
INDIVIDUALLY,

Defendants.

and,

BRISTOL BAY NATIVE CORPORATION, and
NANA REGIONAL CORPORATION, INC.

Nominal Defendants.

PLAINTIFFS' CLASS
ACTION COMPLAINT

TRIAL BY JURY
DEMANDED

*See 703 K
Civil Rule 12
filed with
the CV*

FORTIER & MIKKO A PROFESSIONAL CORPORATION 2550 DENALI STREET SUITE 604
ANCHORAGE, ALASKA 99503

TELEPHONE (907) 277-4222 FAX LINE (907) 277-4221

3/2/94

FORTIER & MIKKO A PROFESSIONAL CORPORATION 2550 DENALI STREET SUITE 604 ANCHORAGE, ALASKA 99503 TELEPHONE (907) 277-4222 FAX (907) 277-4221

escrow until a final determination is made by the IRS. In addition Sealaska for the year ending March 31, 1992 recorded a receivable of \$12,743,000 representing principal and interest due under one of its NOL agreements.

45. Upon information and belief, it is estimated that the sale of NOL related subsurface revenues has amounted to hundreds of millions of dollars through July 1, 1993, and upon information and belief, this sum, by the date of this complaint, may exceed \$500,000,000.

Calista Corporation's Claim and Settlement

46. Upon information and belief, sometime in 1990 defendant Calista communicated with officials of defendants to claim that the proceeds from defendants' NOL sales (involving 5 7(i) assets) are required to be shared pursuant to ANSCA § 7(i) ("the Calista claim").

47. Upon information and belief, sometime in 1991 all defendants, except the Nominal Defendants, resolved to settle the Calista claim by entering into a "Mutual Assistance Agreement" ("MAA"). The MAA recited that the agreement would enable the regional corporations, except Nominal Defendants, to "fully and finally resolve any differences regarding the application of Section 7(1) and the Section 7(i) Settlement Agreement to the Proceeds of NOL Transactions, thereby avoiding the expense, uncertainty, and disruption of commercially valuable cooperative relationships within the native community associated with litigating the Calista claim."

Reel 46-49 and 61

FORTIER & MIKKO A PROFESSIONAL CORPORATION 2530 DENALI STREET SUITE 604 ANCHORAGE, ALASKA 99503 TELEPHONE (907) 277-4222 FAX LINE (907) 277-4221

X 48. Upon information and belief, pursuant to the MAA, Calista, a financially troubled regional corporation, was given the opportunity to borrow from a commercial lender up to \$9.5 million. Defendant CIRI, upon information and belief, agreed to guarantee the loan, and the regional corporations (except the nominal defendants) agreed to indemnify CIRI. Upon information and belief, as security for the loan Calista posted its share of future § 7(i) receipts and had received NOL proceeds of \$3.72 million. In order to provide Calista additional assistance, defendants further agreed to support Calista's sale to the federal government of a portion of its surface and subsurface properties for up to an aggregate amount of \$20 million, and further to support legislation that would declare this sale to be exempt from § 7(i)'s revenue sharing requirement.

X 49. Moreover, defendants agreed to support another legislative amendment of ANSCA and also to amend the § 7(i) Settlement Agreement dated June 29, 1982 which each would inter alia exempt the NOL sales from § 7(i) revenue sharing. In addition, defendants agreed to mutually release each other from claims for NOL sale proceeds under § 7(i).

... COURSE I ...
 ... AGAINST ALL DEFENDANTS ...
FOR AN ACCOUNTING

50. Plaintiffs repeat and reallege each and every allegation contained in paragraphs "1" - "49" of this Complaint as if more fully set forth herein

kinko's®

Fax Cover Sheet

RECEIVED
MAR 29 1995

Send to:

Sent by:

Name: Rep Beverly Mack

Name: Arnold Rudolph
Sharon Key

Of: _____

Of: _____

Phone #: FAX 465-2294

Phone #: 345-7848

Fax Phone #: _____

465-2294

Number of Pages Including This Page: 16

Special Instructions / Other Messages: _____

2210 E. Northern Lights Blvd.
Anchorage, AK 99508
(907) 276-4228
FAX (907) 276-8357

HR 251

UNIVERSITY

FAX. 463-2274

HR 251 Beverly MASCK

Hi Beverly, my name is HAROLD
 RUDOLPH A CIRI SHAREHOLDER. HERE'S
 SOME INFORMATION THAT YOU AND YOUR
 FELLOW MEMBERS NEED TO READ AND
 TO MAKE A DETERMINATION THIS "71" LAWSUIT
 IMPLICATES ALL CORPS. MANAGER'S
 CONSPIRED!! WHEN THEY GOT TOGETHER,
 THE END RESULT IS THAT ALL SHARE
 HOLDERS OF ALL CORPS. LOSE. MANAGEMENT
 OF MOST CORPS. ARE OUT OF CONTROL
 WITH SHAREHOLDERS VIEWS, BECAUSE THE
 STATE STATUES DON'T COVER THESE KIND
 OF ACTIONS, BECAUSE OF LACK OF
 "SECURITIES EXCHANGE ACT" S.E.C. AND
 INVESTMENT ACT OF 1940. HAD THESE ACTS
 BEEN IN PLACE OFFICERS AND DIRECTORS
 OF ALL CORPS. WOULD BE UNDER STRICT
 GUIDELINES AND WOULD NOT BE FIGHTING
 THE SHAREHOLDERS THE OWNERS, ON MON.
 THE 27TH LABOR AND COMMERCE COMMITTEE
 HEARING, MARK KROLOFF CIRI ATTORNEY
 TOLD YOU A "FALSE AND MISLEADING
 STATEMENT," IN REGARD'S TO STATE
 STATUES COMPLYING WITH FEB. 3, 1988
 AMENDMENTS TO ANCSA NATIVE CORPS. UNDER
 "FEDERAL STATUES". WELL THIS IS NOT
 THE CASE, THE CIRI ATTORNEY WAS

(2) H.K.

IMPLYING THAT THERE ARE GUIDELINES BY FEDERAL THAT THE STATE STATUTES SHOULD FOLLOW. BUT THAT 25% THAT MARK KROLOFF TALKS ABOUT ONLY APPLIES TO THE "STOCK RESTRICTIONS" "ALLOCATION OF STOCK" AND "ISSUANCE OF STOCK" AND ONLY IS LAW, OR ENFORCEABLE WHEN STOCK IS ALIENATED OR SALEABLE. UNDER THE 1987 AMENDMENTS ON ANCSA APPROVED IN FEB 3RD 1988, YOU'LL FIND THAT THE 20% ISSUE IS ~~IS~~ ALSO MENTIONED, FURTHER APPLYING THAT MARK KROLOFF STATEMENT IS MISLEADING AND FALSE. THEREFORE STATE STATUTES DO NOT HAVE TO CONFORM TO FEDERAL STATUTES, BECAUSE THEY ARE MUTE AND CONFLICTING, WITH CIRI ATTORNEY'S STATEMENT

HB 251 SHOULD BE TABLED BECAUSE IT IS DISCRIMINATING TOWARDS NATIVES, THAT ARE UN SOPHISTICATED AND DON'T UNDERSTAND THESE ISSUES.

BEV. PLEASE MAKE COPIES AND GIVE TO ALL YOUR COE COMMITTEE, OR THE WHOLE HOUSE IF THIS BILL GOES TO THE FLOOR

HAROLD F. RUDOLPH
4200 E. 4th sp. 107
Anchorage, Alaska 99508

Thanks
Harold F. Rudolph
4200 E 4th Sp. 107
Anch. AK 99508
907-338-2507

RECEIVED
MAY 05 1995

Office of the Governor.
Tony Knowles.
State Capitol.
Juneau, Alaska.

Hal Engelstad
PO Box 873931.
Wasilla, Ak. 99687.

May 5 1995.
Ph. (907) 376-5976.

Dear Mr. Knowles:

There are thousands upon thousands of natives all across Alaska depending on your idea of what their 'constitutional rights' are; of your promised OATH, TO UPHOLD THE CONSTITUTION OF ALASKA AND THE UNITED STATES OF AMERICA; my personal 'touch' is, 'so shall you be JUDGED, as you yourself, JUDGE.

As you yourself know and fully understand, to target one specific 'people', THE ALASKAN NATIVE, HB 251 IS GENOCIDAL! There is NO getting around it.

As of April 23 1995, Crystal Kristovichs' letter says it all. Even though HB251 has been 'softened', the 'severity' and the 'unconstitutionality' of HB 251 remains a 'genocidal act' as it targets 'one' people; the Alaskan native.

Moses, Maclean and Williams should be removed from office. The 3 has advocated 'fines' and jail 'sentences' for speaking out against a handful of would-be corporate managers, while THEY, (Moses, Maclean and Williams) trump and CRUSH the CIVIL RIGHTS of an entire PEOPLE!

Mr. Knowles, can I suggest you REALLY take a very serious look at what Bill 251 may erupt into? It just may become the biggest mess Alaska will ever know.

Thank you Tony.

Hal Engelstad
Hal Engelstad.

MAY- 8-95 MON 9:14 WASILLA ALASKA

9073765976

RECEIVED
P. 01
MAY 08 1995

C/O BEVERLY, JOHN ^{AND} AR CRYSTAL KRISTOVICH.

Senator John Torgerson.
Room 427.
State Capitol, Juneau.

Hal Engelstad.

May 8 1995.

PO Box 873931.

Wasilla, Ak. 99687.

Ph. (907) 376-5976.

Dear John and Sandy: ~~ALL CONDENSED~~.

Regarding the POLITICAL donations to the Senators, I am sending you both a fax copy of a portion of the Alaska Claims Settlement Act.

Sealaska Corporation has breached that portion of the Settlement Act by donating to the Knowles election campaign as of 1994, and again to Moses, Maclean, Williams and whosoever else, 1995. The same goes for Cook Inlet Corporation.

Also, as of 2 days ago, May 5th, I spoke with Sealaskas' corporate secretary, Ms. Maxine Richert, begging a means to GET OUT of the corporation, (Sealaska) to which she, (Richert) explained, "there is NO legal way I could do this without willing or gifting my shares of stock to another".

In the past, Sealaska has amended the by-laws to where the shareholder is completely in the dark as to what goes on, what is legal. The 'blood' Alaskan native is no more than an ENTITY for political purposes. But when they take away the constitutional and civil rights of whomever the hell we are, I think 'things' ARE, out of hand, as HB 251 truly indicates.

HB 251 'stinks to HIGH HEAVENS'. I wish people can see that.

Thank you John and Sandy.

Yours truly.

Hal Engelstad
Hal Engelstad.

not established, he shall be enrolled as provided in subsection (b). His election shall apply to all dependent members of his household who are less than eighteen years of age, but shall not affect the enrollment of anyone else.

NOTES TO DECISIONS

- I. General Consideration.
- II. Disenrollment.

I. GENERAL CONSIDERATION.

The congressional intent is to distribute funds only to those who qualify under the act. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

And Secretary's actions must be in conformity with this intent. — See *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Congressional intent on issue of Secretary's power after roll is certified. — See *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Applied in *Aleut Corp. v. Arctic Slope Regional Corp.*, 417 F. Supp. 900 (D. Alas. 1976).

II. DISENROLLMENT.

Secretary has power to disenroll. — The Secretary of the Interior has the power to disenroll natives included on the roll he was required to prepare by December 17, 1973, and to disenroll applicants who were given an additional year to enroll by the 1976 amendments to the act. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

The Secretary has the same power to disenroll persons enrolled by the regional solicitor acting on behalf of the Secretary as he has over the persons and rolls prepared by himself. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

The power to disenroll is mandated by the congressional intent of purity of the rolls. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Disenrollment to affect monetary distributions. — The assumption from the amendments to the act in 1976, which specifically stated that disenrollment was to have no effect on land entitlements, is that disenrollment was to affect monetary distributions. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

And such effect is retroactive. — Absent some other factor the disenrollment is to have a retroactive effect on "monetary benefits." *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Regulation protecting monetary distributions is nullity. — The passage of the 1976 amendments protecting only land distributions from the effects of disenrollment evidences a congressional intent to allow past monetary distributions to be affected by disenrollment. Thus, regulation promulgated by the Secretary extending similar protection to monetary distributions is contrary to the intent of the act and is a nullity. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Regulations prescribing disenrollment procedure are constitutional. — The regulations prescribing the procedure for disenrollment, 43 CFR 4.1000 et seq., do not violate the due process clause of the Constitution. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

And does not violate mandate to make awards "with certainty". — While it is true that Congress expressed the desire to make awards under the act "with certainty," the disenrollment procedure does not violate that mandate. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Problems with procedure involving removal of names for frat 1 in independent court action. — See *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

Regional corporations may withhold payments required under § 7 (j) of the act to those shareholders who the Secretary has indicated may be subject to disenrollment. *Sealaska Corp. v. Roberts*, 428 F. Supp. 1254 (D. Alas. 1977).

SIDE 2

From Hal Engelstad
128 Wasilla

House Bill 251

ADP
5-6-95

An act to hamstring Native shareholders

House Bill 251 — an act relating to Native corporations — should be permanently parked on a railroad spur.

As written, the revised bill would be unduly onerous for Native shareholders and would provide protection to Native-corporation boards of directors that isn't extended to non-Native boards.

Critics of the original bill succeeded in removing some harsh provisions. But even with these deletions, House Bill 251, now in the Senate, is still not worthy of passage.

One provision of the current bill would unnecessarily raise the bar for Native shareholders to call a special meeting. State law now allows for such meetings if signatures are gathered from shareholders who own 10 percent of stock. HB 251 would raise that level to 15 or 25 percent, depending on the number of shareholders.

That is not fair.

When it comes to special meetings, shareholders of Native corporations should not be treated any differently than other shareholders governed by state statutes who only need 10 percent to act.

HB 251, sponsored by Rep. Carl Moses, unfairly exempts Native corporation boards from rules designed to empower shareholders. The bill says if board members are elected by staggered terms, they can't be prematurely removed without cause from office at a special or regular meeting.

The amendment protects only Native corporation boards from a fair recall process outlined in state law. It is not the state's job to specially insulate Native corporation boards from shareholders.

The bill also requires that a written notice or petition and accompanying material be filed with the affected corporation "before a person solicits support." If this amendment is needed at all, why not require petitioners to file with the state? And why not require the same stipulation of the corporation, not just the shareholders?

Questions of corporate management are best settled by shareholders, not legislators. Native corporation shareholders deserve to be treated like shareholders of other Alaska corporations, with the authority and ability to hold management accountable.

Knowles doesn't like bill on Native board recalls

Juneau 5-4-95

By DIRK MILLER

THE JUNEAU EMPIRE

The Knowles administration says it will work to eliminate or modify a House bill's requirement that shareholders show cause when trying to recall Native corporation board members.

The provision is supported by several Native corporations, which are looking to the state for help in avoiding what they call frivolous and expensive recall efforts by dissident shareholders.

The House passed the bill Wednesday, 28-14, moving it to the Senate.

Pat Pourchot, Gov. Tony Knowles' legislative lobbyist, said the requirement making it harder for shareholder recall drives has caused some consternation in the governor's office.

"I think we continue to have serious concerns on the for-cause provision, particularly if the only recourse is to take it to court," Pourchot said.

He said the governor's office would work to get the cause requirement modified or eliminated in the Senate.

In a letter to sponsor Carl Moses, an Alaska Democrat in the House majority, Sealaska Corp. chief executive officer Leo Barlow restated the Southeast Alaska regional corporation's support for the measure.

"Of importance is the addition into law of establishing within the recall petition process the requirement of stating the 'cause' for recall," Barlow wrote in the Tuesday letter.

Anchorage-based Cook Inlet Region Inc. also supports the bill.

Critics say the cause requirement means a shareholder would have to go to court to establish a cause before a recall could begin.

"They can't afford to go to court and pay their court fees," Rep. Beverly Masek, R-Willow said during House debate Tuesday night. Masek failed in her attempt to remove the requirement from the bill.

Pat Pourchot, Knowles' legislative lobbyist, says some provisions of the measure have caused consternation in the governor's office.

The stricter standard is not imposed on any other corporation in the state.

Supporters of the provision say if Native corporation shareholders want to remove people from boards without a reason, they could do so at regular elections. Otherwise, to allow recalls without reason affects the stability of the corporations, said Rep. Bill Williams, a Saxman Democrat.

Williams told lawmakers of a recall experience at Cape Fox Native Corp. in Ketchikan when he was on the board. When the recall surfaced, financing for a project the corporation was involved in became difficult, even though the recall failed.

"We lost the project," Williams said.

Pourchot said he could not say whether Knowles would veto the bill "but it is a significant concern."

State Commerce Department Commissioner Willie Hensley said the cause requirement is a concern but not likely enough to cause a veto.

The bill would also allow a one-year lull before a failed recall attempt could be repeated and raise the percentage of shareholder signatures required to call a special meeting or hold a recall. The number would increase to 15 percent for large Native corporations.

To petition a smaller corporation with fewer than 500 shareholders would require 25 percent. The current standard is 10 percent.

One of the complaints by House critics is that the bill didn't get enough work in committees.

It had to make it through just one committee, the House Labor and Commerce panel, before it was scheduled for a floor vote. In contrast, Juneau Rep. Caren Robinson's bill to establish a Channel Islands Marine Park has four committees of referral.

"I believe it needs a lot more airing before it comes to the floor," Robinson said Wednesday.

As if to illustrate the point, during a break in the debate Wednesday night about a dozen representatives gathered in the back of the chamber to try and answer questions about the bill raised by Rep. Mike Navarre, a Kenai Democrat who voted against the measure.

Both Rep. Kim Elton, D-Juneau, and Robinson voted against the measure. Four Republicans also voted against it: Masek, Alan Austerman of Kodiak, Scott Ogan of Palmer and Terry Martin of Anchorage. Four Democrats in the House minority voted for the bill, Irene Nicholia of Tanana, Bettye Davis of Anchorage, Eileen MacLean of Barrow and John Davies of Fairbanks.

Of the six Native lawmakers who voted for the bill, five are past or present corporation board members. Only Nicholia doesn't have that on her resume.

Of the two Native lawmakers who voted against the measure, House Minority Leader Jerry Macdonald, D-Craig, is a former Native corporation board member, and Masek lost an independent bid to win a seat on Doyon Ltd.'s board.

Masek said the bill was promoted and pushed by the big corporations at the expense of their shareholder rights.

Moses, a former president of the Aleut Corp., which has supported the bill, said the measure attempts to put a stop to frivolous recalls and special meetings sponsored by dissatisfied shareholders across the state.

"Everybody wants to be chief or wants to get their hands on the money," he said.

ADN 5-7-95

ANCSA shareholders ignored

I have just learned that Carl Moses has proposed a bill (HB 251) that would make it even more difficult for Alaska Native shareholders to make their leaders more responsive to their needs and wishes.

Not only is this proposed legislation particularly unfair to shareholders of ANCSA corporations, it also violates our state Constitution, which specifically prohibits the legislature from enacting laws that only affect one racial or ethnic group.

ANCSA corporations currently have more power and political influence than Congress envisioned when it enacted ANCSA. There are no laws limiting ANCSA corporations from spending our corporate funds to ensure that their board members and officers remain in power.

They can, and have, hired numerous attorneys to file lawsuits against their shareholders who oppose their personal pecuniary interests.

I am certain that readers are aware of the awesome influence ANCSA corporations have exerted in getting "friendly" politicians elected in this state. As you might imagine, these corporate wishes seldom reflect the needs of Native shareholders.

— Frank Peratovich

Math programs 'nontraditional'

Parents, it's time to get involved! The Anchorage School District is currently reviewing two new math programs for



implementation as early as next year in elementary schools. Both of these programs are best described as "nontraditional."

One of them has no student textbook at all, and the other requires consumable student books that must be replaced each year at added expense. Both programs are considered to be "nontraditional" in the sense that concepts are emphasized rather

Help needy street children

I am a child of 15. I have lived on the streets off and on for one year and three months. We stayed with friends and people we met, and slept outside on cement with only the clothes on our backs, which were not our own.

I bummed money, food and cigarettes. Sometimes we had to steal our food. The other kids would have to steal money from people they didn't know.

We had good times and bad times, like when we went traveling when we found a friend with a car. I also got to work at the state fair.

We've been in several shelters, and



**FIRST
PERSON**

sometimes we had to lie about our ages to stay at a shelter, for we had nowhere to go. Most of us have been in several foster homes and in lock-up facilities, which didn't help us one bit.

I'll admit I did a lot of crazy things to eat, but not once have I sold my body or done any really hard drugs. I have always been very smart about things like that. I have had friends who did sell their bodies, but only because they had to.

I have a plan for a shelter that is like no other. First, I would get a huge building for a residence program. Then build a cafe onto the building for a job program. Next, I would start school programs with different options for improving schooling.

Kids could work at the cafe, or the job program could help them get their own jobs. They would go to school and pay rent for their rooms or apartments.

RECEIVED
MAR 27 1995

Virginia L. Rude
14940 Woodland Ave.
Eagle River, Ak. 99577

March 24, 1995

Representative Bev Masek
House Labor and Commerce Committee
State Capital
Juneau, Ak. 99801-1182

Dear Bev:

My husband, three children, and mother in law are CIRI shareholders. We are ask that H.B. 251 be killed.

H.B. 251 is a bill submitted for the benefit of regional corporation managements. The bill will make it more difficult, if not impossible, to bring petitions or shareholder resolutions before the Native shareholders for a vote.

Shareholder petitions and resolutions are only advisory to the board of directors. The cost of presenting a resolution or petition is borne by the stockholders---the corporation does not reimburse the petitioner. Approximately 70% of CIRI's shareholders live in poverty, and few (if any) shareholders have adequate funds to present a resolution or petition, therefore, they must count on donations from the shareholders. Presenting resolutions and petitions is the only avenue open for Native shareholders to convey their concerns to other shareholders and their board of directors.

Although, Section 2(b) of ANCSA gave Native shareholders a right to participate in matters that affect their rights and property, CIRI shareholders have been denied an opportunity to formally vote on any issues.

Native shareholders do not have shareholder protections from corporate mismanagement and misrepresentations or omissions. The Interior Department does not recognize ANCSA shareholders as tribal members, therefore, they do not fall under the protections of the Indian Civil Rights Act of 1968. And in 1976, the regional corporations exempted Native shareholders from the protections of the Securities Exchange Commission (SEC), and Native shareholders fall under limited State corporate laws, mainly those sought by regional corporation managements.

A statement contained in CIRI v Ward from the State Supreme Court, dated March 27, 1979, file number 3579, Opinion No. 1825, is enclosed. Perhaps it is time for the State to adopt some laws that give Native shareholders protections from their managements, and gives shareholders a right to participate in matters that affect their rights and stock values.

Sincerely,

Virginia L. Rude
Virginia L. Rude

replace by the lack of federal regulation.

Congress also believed that the securities acts would not fulfill their intended purpose in the native corporation context. Assuming that many native shareholders lacked sophisticated business acumen, Congress feared that the securities acts' tight restrictions on communications would virtually preclude any meaningful or simplified discussion at the village or community level. 1975 U.S. Code Cong. & Ad. News, supra, at 2385. But passage of the exemption was coupled with a warning that federal regulation ⁴ might be imposed if it were found necessary.

4. The Congressional committee report (Interior and Insular Affairs Committee) states:

"Finally, the Committee understands that the general provisions of Alaska law provide protection for Native stockholders from any corporate mismanagement and misrepresentations or omissions to represent in connection with sales of securities, and that Alaska courts would look to precedents under federal securities laws for appropriate standards of conduct by management and other persons connected with securities transactions. Native corporations have assured the Committee that they do not intend to seek an exemption from state securities laws on the basis of this exemption from federal laws and intend to pursue the passage of State legislation to the extent necessary to provide any appropriate additional protection. Therefore, it is not necessary at this time to impose additional federal requirements.

It should be noted that these corporations are being exempted from the federal securities laws on the understanding that federal regulation of Settlement Act corporations is not necessary to protect Native stockholders or the public during the twenty-year period when Native-owned

RECEIVED
MAR 27 1995

March 27, 1995

Representative Beverly Masek
Room 418, State Capitol
Juneau, Alaska 99801-1182
(Fax 465-2295)

Dear Representative Beverly Masek,

I am faxing to you petitions against HR251 with the signatures of Alaska Native shareholders, representing different native corporations.

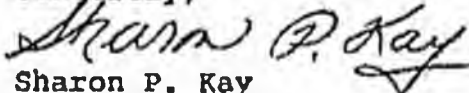
Representative Masek, I was really saddened that some of our fellow Alaska Native shareholders were hesitant to sign the petition, and some wouldn't sign even after I had explained the bills consequences to our rights as native shareholders. Even one well known elder, whom I have known for years, would not sign because she could not understand what the bill meant. Then I thought, well that's a good example in our favor, because it just goes to show how innocent and unlearned many of our Alaska Native people really are on corporate State Statutes. Representative Beverly Masek, please use this as a positive example to prove that if HR251 passes, that it will negatively effect thousands of Alaska Native shareholders who don't know or understand a thing about this bill.

Also, I spoke to one of our CIRI Board Members about the bill, and he was really concerned because CIRI Board Members have no knowledge of this bill. I wonder how many other Alaska Native Board Members who don't know about HR251?

Representative Masek, would your office please make copies of the petitions and give them to the other committee members who will be reviewing the bill today.

I regret that I and others didn't have more time to gather more signatures. Thank you Representative Masek for your help and concern. We pray that this bill fails.

Sincerely,



Sharon P. Kay
17400 Spain Drive
Anchorage, Alaska 99516
(907)345-7848

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".

THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
Ronald O. Robinson	8725 Midland Pl.	CIRI	3-26-95
Marion P. Key	17400 Spain Dr.	CIRI	3-26-95
Clma McCormick	7220 Mountmen	CIRI	3-26-95
Lillian Harris	4001 Garfield St.	IVANOF	3-26-95
Aera Newton	14045 Lake Hills Pkwy.	CIRI	3-26-95
Burton M. Severson	Anchorage, AK	CIRI	3-26-95
Walter Severson	Anchorage AK	CIRI	3-26-95
Mary Alenstiff	Anch AK	CIRI	3-26-95
Ellen Savage	Anch AK	Dayon	3-26-95
Harriet Littlefield	Anch, AK	Seward	3-26-95
Audrey Sunnyboy	510 W 89 Ave	Dayon	3-26-95
Ted A. Kirt	1711 Lore Rd #307	CIRI	3/26/95
Oronok ^{5311 Resurrection Pl.} High ^{Anchorage, AK 99501}		Calista Corp.	3/26/95
Eileen Anarek	3925 E 31st Ave.	CIRI	3/26/95
JAVIEE MILLER	3700 Boniface	CIRI	3-26-95
Michelle Bacon	13800 Davis Rd	CIRI	3/26/95
JERRY ANAREK	801A - 40th St #130	15th region	3/26/95
LARRY EWAN	602 W 34th Apt 114	AHTNA	3-26-95
Robert & Peterson	32 Anch. AK	CIRI	3-26-95
Anna J. Jackson	1545 S. Hoy Day	Anch AK. Dayon	3-26-95
Mary Heikatahka	Anch. AK	BBNC	3-26-95
Mark M. Heikatahka	Anch. AK	BBNC	3-26-95
Nida Williams	Anch. AK	Konig	3-26-95
Sally M. Swafford	Anch. AK	BBNC	3-26-95

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".

THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
<i>Nicholas Pestrikoff Sr</i>	<i>1055 W 27th #311</i>	<i>KONIG INC.</i>	<i>3/26/95</i>
<i>Steve Hopson Jr</i>	<i>Box 146</i>	<i>NUC NATALC ASRC</i>	<i>3/26/95</i>
<i>Mary Virginia Martichuk</i>	<i>201 east 16th #301</i>	<i>ANCH AK 99501 BBNC</i>	<i>3/26/95</i>
<i>Margaret O. Jones</i>	<i>325 Irwin #7</i>	<i>ANC AK 9908 Calista</i>	<i>3/26/95</i>
<i>Mona L. Robinson</i>	<i>610 W. 89th</i>	<i>ANCH AK 99515</i>	<i>3-26-95</i>
<i>Erik Makinnon</i>		<i>CTRI</i>	<i>3-26-95</i>
<i>Patsy Y. Rudolph</i>	<i>12521 Starbuck St. Anch</i>	<i>AK 99515</i>	<i>3-26-95</i>

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".

THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
Arnold Ashenfelter	Nome, Alaska 99762 P.O. Box 1353	Chugach Native	03/27/95
LeRoy Ashenfelter	BRANDS CAFE Duchow Pass, AK	Chugach Native	03/27/95
Upton Ashenfelter	GEN. DEL SEWARD, AK	Chugach Native	03/27/95
Arthur A. Condealy, Sr.	PO Box 415 Pilot Point	Bristol Bay Native Corporation	3-27-95
William Alkayat	PILOT POINT AK.	COOPERATION BRISTOL BAY AK.	3-27-95
Eli C. Wright	Anchorage, AK	NANA & K.I.C.	3/27/95
Jesus Christ	signed at the ANIME. by a Brother Francis Shelter Alaska Native Shareholder.		3/27/1995

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".

THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
Edgar Smith Sr.	Sand Point Ak.	Alut Corp	3-27-95
Jim Smith	Sand Point Ak.	Alut Corp	3-27-95
Cherry Foster	Anch. Ak.	Alut Corp	3-27-95
Clara Lofdell	Anch Ak.	Chugach Coop	3-27-95
Grace Dustin	King Cove Ak.	Alut Corp	3-27-95
Wloyd Marsh	Anch ak.	CIRI	3-27-95
Pat Riddick	Anch	MANA	3-27-95
Edgar Shingir	Anch Ak.	BBNC Bayview	3-95
Russel Shingir	Anch Ak	BBNC + Bayview	3-27-95
Gary Brandal	Sand Point ak.	Alut Corp	3-27-95
Honora Brandal	Anch. Ak.	BBNC.	3-28-95
Paul Riddick	Anch ak.	Denalaska	3-28-95
Bruce Fisher Jr.	Sand Point ak.	Alut Corp.	3-28-95
Charlie Lambert	Anch ak.	Doyon Corp.	3-28-95
John Lamb Sr.	Anch ak	Chilista Corp.	3-28-95
Ryan Roman	Anch	Chilista Corp.	3-28-95
Ron Roman	Anch	Chilista	3-95
Nick Shingir	Anch + Chugach Lake	BBNC	3-28-95
Ed Casey	Anch	Goldbelt Corp.	3-28-95
Jarwanne Yetcheroff	Falls Pass	Alut Corp.	3-28-95
Peter Yetcheroff	Falls Pass	Alut Corp	3-28-95
Rodger Holmberg	Seattle Alaska	Alut Corp.	3-28-95
Frank Peratovich Sr.	Anch.	Klovick + CIRI.	3-28-95
Netti Peratovich	Anch	Denalaska + CIRI	3-28-95

-2V
PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".
THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS!

NAME	ADDRESS	NATIVE CORPORATION	DATE
George W. Watson	716 N. Lane St	C.I.R.I.	3/26/95
Ma Watson	716 N. Lane Lane St.	CIRI	3/26/95
Harold Rudolph	4200 E 4TH SP. 107	CIRI	3-26-95
Robert Watson	635 N Bliss St Anch	CIRI	3-26-95
Ben Watson	716 N Lane St, Anch.	CIRI	3-27-95
David Watson	716 N. Lane St. Anch 99508	CIRI	3-27-95
Joe Rudolph	11222 L. AND MARK DR. Anch.	CIRI	3-27-95
Gene Watson	655 N. Bliss St. Anch.	CIRI	3-27-95
Don Belts	Anch.	CIRI	3-27-95
Glen Belts	WASSILIA	CIRI	3-27-95
Delores Ashenfelter	Anch.	CIRI	3-27-95
Tammy Tuttle	Anch	CIRI	3-27-95
Sigfred Able	Anch	CIRI	3-27-95
Breda Able	Anch	CIRI	3-27-95
Fred Able	Anch	CIRI	3-27-95
Walter R. Miller	100 MCARRY ST Anch	CIRI	3-27-95
Joseph Fenerowicz	Anch	CIRI	3-27-95
Rose Belts	Anch.	CIRI	3-27-95
Bill Walker Jr.	Wassilia	CIRI	3-27-95
Carl Walker	Anch	CIRI	3-27-95
Robert Watson	Anch	CIRI	3-27-95
Darlene Belts	Anch	CIRI	3-27-95
Bruce Foster	Star Point AK.	Alut Corp.	3-27-95
Amy Foster	Star Point AK.	Alut Corp.	3-27-95

HB251

SELDOVIA NATIVE ASSOCIATION, INC.

P.O. DRAWER L

SELDOVIA, ALASKA 99663

(907) 234-7625 • 234-7890

April 5, 1995

Honorable Rep. Carl Moses
Honorable Rep. Bill Williams
Honorable Rep. Eileen Maclean

Subject: HB 251

The Seldovia Village Tribe (SVT) and Seldovia Native Association, Inc. (SNA) are strongly opposed to HB 251.

We request your help as the sponsors, to reconsider your Bill and stop passage of this legislation in any form. HB 251 is very discriminatory in that it targets Alaskan Natives only, and not other Alaskan corporations.

HB 251 oppresses Native shareholders that are concerned about their corporation and are willing to strengthen or help them.

All Alaskan Native Corps are unique in that all the shareholders are captive shareholders. Passage of HB 251 will divide the Native community more than it already is. We already have the "haves" and the "have nots" in our ANCSA corporations.

During the days of slavery in the United States, it was not only the white slave owners that oppressed the slaves. There were Black Freedmen that owned slaves also. It was these Black slave owners that were cruelest to their own people.

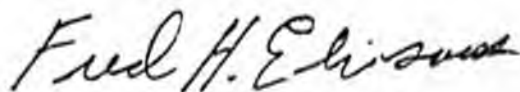
Passage of HB 251 is the same as slavery oppression to the ANCSA corporation shareholders. In this case (HB 251), the slave masters (corporation Managers) are requesting legislation to make it harder, if not impossible, for the captive slaves (shareholders) to participate in their own destiny.

If ten percent (10%) of any shareholder group is upset with a corporation's management or operation, there is certainly something wrong or worth looking at in that corporation.

Isn't it interesting that the people requesting your sponsorship of this Bill are also advocating a Native Justice Center. Where's the justice here? **HB 251 is not good legislation.**

Please kill HB 251 and any similar legislation.

Sincerely,

A handwritten signature in cursive script that reads "Fred H. Elvsaas".

Fred H. Elvsaas, President
Seldovia Native Association, Inc.

cc: All Legislators

PRESS RELEASE PRESS RELEASE PRESS RELEASE
FOR IMMEDIATE RELEASE, THIS IS MOST URGENT!!!

JOAN MANTFI, ATHABASCAN-TSIMSI IAN
 ALASKAN NATIVE INDIAN
 BOX 34711
 JUNEAU, AK 99803-4711

APRIL 15, 1995, Saturday
 PHONE: 586-3506

Please release before Wednesday if possible.

MUCH TO THE SURPRISE OF ALASKAN ESKIMOS, INDIANS AND ALEUTS ACROSS THE STATE OF ALASKA, ON MARCH 15, 1995, HOUSE BILL 251, *AN ACT RELATING TO NATIVE CORPORATIONS*, WAS INTRODUCED INTO THE ALASKA LEGISLATURE BY THE REQUEST OF NATIVE CORPORATION MANAGEMENT AT COOK INLET REGION, INC. (CIRI), AND JUNEAU BASED SEALASKA CORPORATION. THE ALASKAN NATIVES HAD NO PRIOR KNOWLEDGE OF THE LEGISLATION, AND WERE LEFT WITH ONLY A FEW DAYS TO PREPARE FOR THE HEARINGS THAT WERE SCHEDULED QUICKLY AFTER ITS INTRODUCTION. MOST ALASKAN NATIVES STILL HAVE NOT BEEN ALERTED TO ITS EXISTENCE, ALTHOUGH IT WILL AFFECT ALL ALASKA NATIVES IN ALASKA, WASHINGTON, OREGON, AND THROUGHOUT THE UNITED STATES, AS WELL AS THOSE LOCATED IN OTHER COUNTRIES. HB 251 WAS A FOLLOW UP TO LAST YEAR'S SEALASKA CORPORATION FEBRUARY 14, 1994, HOUSE BILL 501, *AN ACT RELATING TO NATIVE CORPORATIONS AND PROVIDING FOR AN EFFECTIVE DATE* (INTRODUCED BY HOUSE REPRESENTATIVE WILLIAM WILLIAMS OF SAXMAN), WHICH FAILED TO PASS. THE NEW NAME OF HB 251 WAS CHANGED AT THE FIRST PUBLIC TESTIMONY HEARING TO, *AN ACT RELATING TO THE MEETINGS, SHAREHOLDER PROPOSALS, AND REMOVAL OF DIRECTORS OF NATIVE CORPORATIONS*.

HB 251 WAS INTRODUCED INTO THE ALASKA LEGISLATURE'S LABOR AND COMMERCE COMMITTEE BY REPRESENTATIVES CARL MOSES, FIFEN MACLEAN, AND WILLIAM WILLIAMS, TO PUT RESTRICTIONS ON THE ABILITY OF THE APPROXIMATE 75,000 ESKIMOS, INDIANS, AND ALEUTS, IN THE STATE OF ALASKA, TO PETITION THEIR NATIVE CORPORATIONS ON THEIR NATIVE ISSUES FOR SPECIAL MEETINGS, OR REMOVE BOARD OF DIRECTORS' IN NATIVE CORPORATION MANagements.

AS OF THE SECOND LABOR AND COMMERCE WORK SESSION THAT TOOK PLACE ON APRIL 12, 1995, THE MARKED UP BILL CALLS FOR ALL ESKIMOS, INDIANS, AND ALEUTS IN THE STATE OF ALASKA, TO TAKE A DEPARTURE FROM ALASKA'S STATE CORPORATE LAWS, AND BE MODELED AFTER THE MORE STRICTER CORPORATE SHAREHOLDER RIGHTS OF THE STATE OF DELAWARE, AND CREATE NEW RULES THAT DO NOT EXIST IN OTHER UNITED STATES CORPORATIONS. SOME OF THE PROVISIONS THAT HAVE REMAINED A PART OF THE BILL THIS FAR, ARE CALLING FOR SPECIAL MEETINGS OF THE BOARD WILL REQUIRE SIGNATURES IN THE AMOUNT OF 10% OF THE TOTAL NUMBER OF SHAREHOLDERS ENROLLED TO EACH NATIVE CORPORATION IN THE STATE. THIS WAS VOTED DOWN BY REPRESENTATIVES BEVRIY MASEK, JERRY SANDERS, AND PETE KOTT FROM THE ORIGINAL 25% PROPOSED BY THE TWO CORPORATIONS. THERE IS EVIDENCE THAT IT WILL BE REQUESTED TO BE BROUGHT UP TO AS HIGH 15% BY MEMBERS OF THE L&C COMMITTEE. THERE IS ANOTHER TENTATIVE WORK SESSION SET FOR APRIL 19TH, ROOM 17 AT THE CAPITOL IN JUNEAU.

ESKIMOS, INDIANS, AND ALEUTS WOULD BE REQUIRED TO GIVE NOTICE OF PETITIONS TO CORPORATIONS BEFORE STARTING OR SOLICITING SUPPORT FOR A PETITION, AS TO WHERE BEFORE THE STATE DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT CORPORATIONS DIVISION SEND A COPY OF THE PETITION TO THE CORPORATION ONCE IT BEGAN. AMONGST OTHER THINGS THAT OTHER CORPORATIONS WILL NOT BE SUBJECT TO IN THE STATE AS COMPARED TO ALASKAN NATIVES, WHERE NO DEADLINES WILL EXIST FOR ALL OTHER CORPORATIONS OR THREATS OF INVALIDATION, THE ALASKAN NATIVES WOULD BE GIVEN ONLY 90 DAYS TO COMPLETE THEIR PETITIONS, UPON WHICH THEY WOULD BE INVALIDATED BY THE CORPORATION AND THE STATE IF NOT COMPLETED IN THE 90-DAY TIME FRAME. THE LEGISLATION ALSO CALLS FOR AMENDING ALASKA STATUTE SECTION 2(n), REQUIRING THAT ALASKAN NATIVES ONLY BE ABLE TO RECALL

DIRECTORS UNDER SUPREME COURT RULINGS ON REASONS FOR CAUSE, WITH THE REST OF THE CORPORATIONS IN THE STATE OF ALASKA CONTINUING TO BE ABLE TO REMOVE DIRECTORS WITHOUT CAUSE. THERE IS CONCERN GROWING AMONGST THE NATIVES THAT THE SUPREME COURT RULINGS FOR REMOVING DIRECTORS "WITH CAUSE" WILL NOT FIT THE CULTURAL AND LAND ISSUES THE ALASKAN NATIVES ARE NOW FACED WITH - AND THAT THEY WILL LOSE EVERYTHING AS A RESULT OF THE BILL PASSING INTO LAW, UNABLE TO CONTROL THEIR DIRECTORS ANY LONGER. A NATIVE CORPORATION SHAREHOLDER WOULD NOT BE ABLE TO PETITION THEIR CORPORATION ON ANY SAME ISSUE FOR A ONE YEAR WAITING PERIOD UNDER THE LEGISLATION. ALASKAN NATIVES FEAR THAT NOT BEING ABLE TO BRING THEIR ISSUES UP UNTIL ONE YEAR HAS PASSED, MAY ALLOW A CORPORATION TO SELL NATIVE LANDS, WITH SHAREHOLDERS BEING POWERLESS AT THEIR HANDS.

THE TIDE OF TESTIMONY WENT AGAINST THE LEGISLATION AS ALASKAN NATIVES FROM CORPORATIONS ACROSS THE STATE APPEARED IN PERSON AND TELECONFERENCED INTO THE HEARINGS HELD IN JUNEAU MARCH 27, AND 29. SOME OF THE TESTIMONY SUBMITTED AT THE HEARINGS HELD AT THE CAPITOL IN JUNEAU, ALASKA, MARCH AND APRIL, HAD ANCSA LAWS AND STATEMENTS OF INTENT QUOTED INCLUDING THE FOLLOWING BY JOAN MANTEI:

"I REPRESENT NO SPECIAL INTEREST GROUP, I AM HERE OUT OF CONCERN FOR ALL ALASKAN NATIVES . . . ALL THAT THE ALASKAN NATIVES HAVE ASKED, IS THAT THEY REMAIN IN MAXIMUM PARTICIPATION IN THE DECISIONS THAT AFFECT THEIR RIGHTS AND PROPERTY, AND THAT THEY BE TREATED FAIRLY WHEN IT COMES TO EXPLAINING TO YOU WHAT THEY PERCEIVE YOU ARE DOING TO THEM IN HB 251. THE PROMISE OF THE CLAIMS ACT, WAS THAT CONGRESS FOUND AND DECLARED THAT IN SECTION 2(b) *THE SETTLEMENT SHOULD BE ACCOMPLISHED RAPIDLY WITH CERTAINTY, IN CONFORMITY WITH THE REAL ECONOMIC AND SOCIAL NEEDS OF NATIVES, WITHOUT LITIGATION, WITH MAXIMUM PARTICIPATION BY NATIVES IN DECISIONS AFFECTING THEIR RIGHTS AND PROPERTY.* WHAT ARE WE DOING? WE ARE LITIGATING THE CLAIMS ACT, AND WHETHER ALASKAN NATIVES WILL BE ABLE TO STEER THEIR CORPORATIONS TO FULFILL THE CULTURAL AND TRADITIONAL LAND USE ISSUES, THE PROMISE OF THE CLAIMS ACT. I DID NOT FEEL AS THOUGH THE NEEDS OF THE NON-ENGLISH SPEAKING ESKIMO, INDIAN, AND ALEUT ELDERS WHO ARE IN VILLAGE ALASKA, THE POOR WHO HAVE NOT BEEN PROVIDED WITH THE OPPORTUNITIES, AND THOSE NOT AFFLUENT AND POLITICALLY POWERFUL, WERE BEING ADDRESSED. I FELT LIKE WE WERE AT A TYPE OF SENTENCING AT THE LAST WORK SESSION. I SURE FELT BAD, A LOT OF TRUST WAS SHATTERED. I AM VERY UNCOMFORTABLE WITH THIS BILL, THE MEASURE OF THIS BONDAGE IS UNIMAGINABLE BY THOSE NOT DIRECTLY AFFECTED BY IT. TO MAKE A HARSHER SENTENCE ON THE ALASKAN NATIVES, INSTEAD OF HAVING DEvised A GRASS ROOTS MIDDLE PATH OF TRULY GIVING HONORABLE COMMUNICATION BETWEEN THE MANagements AND THE NATIVES, HAS CAUSED ME TO WONDER AT THE VALIDITY OF THE LEGISLATION. I BELIEVE THAT MOST OF THE LABOR AND COMMERCE COMMITTEE IS SHOWING TOO MUCH MISUNDERSTANDING REGARDING THE CLAIMS ACT, AND THE INTIMATE KNOWLEDGE THE ESKIMOS, INDIANS, AND ALEUTS HAVE REGARDING IT AND THEIR CORPORATIONS - THIS IS REALLY MAKING ME QUESTION THE VALIDITY OF THE LEGISLATION EVEN MORE AND WHETHER THEY ARE DISCRIMINATING AGAINST A RACE OF PEOPLE AND SINGING THEM OUT FOR SPECIAL BURDENS. I AM FURIOUS AT THE MENTALITY THAT IS BEHIND THIS LEGISLATION. THE ALASKAN NATIVES NEEDED TO BE TREATED AS ALASKAN NATIVES BY THESE CORPORATIONS, THEIR LAND AND CULTURAL ISSUES NEED TO BE ADDRESSED NOW. OUR ELDERS ARE A VANISHING RACE WITHOUT THE LAND, AND THE CORPORATIONS WILL NOT HEAR US. ANCSA DIDNT DO IT FOR US, THE CORPORATIONS ARENT DOING IT EITHER."

IN THE 1988 REPORT OF THE ALASKA NATIVE REVIEW COMMISSION, FORMER BRITISH COLUMBIA SUPREME COURT JUSTICE CHIEF THOMAS R. BERGER CONDUCTED A STUDY SPONSORED BY THE INUIT CIRCUMPOLAR CONFERENCE AND WORLD COUNCIL ON INDIGENOUS PEOPLE CALLED, *VILLAGE JOURNEY*, TO IDENTIFY AMONG OTHER THINGS, THE EXPECTATIONS THAT ALASKA NATIVES HAD, PRIOR TO ANCSA, FOR A SETTLEMENT OF THEIR CLAIMS AND THE VALUES THEY

SOUGHT TO PROTECT, AND TO EXAMINE THE MORAL AND ETHICAL PRINCIPLES UPON WHICH THEIR CLAIMS WERE FOUNDED. IN THE STUDY, BERGER STATED, "ALASKA NATIVES NOW REALIZE THAT ANCSA HAS FAILED THEM AND THAT ITS GOALS ARE AT CROSS PURPOSES WITH THEIR OWN. TODAY, THEY ARE TRYING TO STRENGTHEN THEIR SUBSISTENCE ECONOMY AND TO RESTORE THEIR TRIBAL GOVERNMENTS. WE MUST UNDERSTAND THE HISTORICAL LEGITIMACY AND THE PRESENT VALUE OF THESE GOALS . . . THEY KNOW THAT UNDER ANCSA THEIR ABORIGINAL RIGHTS WERE EXTINGUISHED AND THAT MANY UNCONTROLLED AND PERHAPS UNCONTROLLABLE FORCES NOW THREATEN THEIR WAY OF LIFE. THEIR CONTROL OF THEIR LAND IS NOT SECURE. ALASKAN NATIVES WISH TO CHOOSE A FORM OF LANDHOLDING THAT REFLECTS THEIR OWN CULTURAL IMPERATIVES AND ENSURES THAT THEIR ANCESTRAL LANDS WILL REMAIN IN THEIR POSSESSION AND UNDER THEIR GOVERNANCE. THEY REJECT ASSIMILATION, AND THEY ARE DETERMINED TO FASHION A FUTURE OF THEIR OWN."

ALSO QUOTED IN THE STUDY, ARE THE SUBMISSIONS MADE BY JANIE FASK, FORMER PRESIDENT OF THE ALASKA FEDERATION OF NATIVES, INC., TO THE 1984 PRESIDENT'S COMMISSION ON INDIAN RESERVATION ECONOMIES, "THE ARTIFICIAL NATURE OF THE NATIVE CORPORATIONS CONFOUNDS THEIR PURPOSES AND FUNCTIONS; DIRECTORS NEED NOT DECLARE DIVIDENDS IN ORDER TO ATTRACT AND KEEP SHAREHOLDERS; SHAREHOLDERS ARE ASSIGNED TO THEM BY AN ACT OF CONGRESS . . . WHAT HAS FAILED ON NATIVE PEOPLE AND THEIR INSTITUTIONS DURING THE PAST THIRTEEN YEARS IS A LEGAL AND ADMINISTRATIVE BURDEN SO OVERWHELMING THAT IN MANY WAYS IMPLEMENTING ANCSA HAS BECOME AN END IN ITSELF."

THE BILL HAS BROUGHT UP MUCH DELIBERATION AMONGST THE NATIVES ON THE ORIGINAL INTENT OF THE HISTORIC ALASKA NATIVE CLAIMS SETTLEMENT ACT (ANCSA), AND THE ABILITY OF THE ESKIMOS, INDIANS, AND ALUTIANS TO STEER THEIR MANAGERMENTS IN THEIR CULTURAL AND TRADITIONAL LAND USE ISSUES. ALASKA NATIVES THROUGHOUT THE STATE, BELIEVE THAT THE CLAIMS ACT INTENDED FOR THEM TO HAVE LAND FOR TRADITIONAL AND CULTURAL USE. MANY CLAIMS ACT CREATED CORPORATIONS, HAVE REMAINED BUSINESS ALIGNED, LEAVING MANY OF THE TRADITIONAL, CULTURAL, AND SUBSISTENCE NATIVE ISSUES UNADDRESSED. THIS HAS MADE IT DIFFICULT FOR THE NATIVES TO CONTINUE THEIR NATIVE WAY OF LIFE - OR HAVE THE SUPPORT SYSTEM TO PROTECT THEIR VALUES AND TRADITIONS IN THE NEXT GENERATION. ALASKAN NATIVES FEEL MOST CORPORATION LAND HAS BEEN LOGGED FOR TIMBER, WITH A TRICKLE DOWN EFFECT THAT HAS BENEFITED THEM ONLY marginally.

IN THE TESTIMONY ON HB 251, DIFFERENT RECALL GROUPS FROM ANCHORAGE AND JUNEAU PARTICIPATED IN THE TESTIMONY WITH THE SEALASKA RECALL GROUP STATING THEY HAD BEEN DOING A PETITION SINCE SEPTEMBER 1994, AND HAD BEEN GOING EIGHT MONTHS WITH WELL OVER THE REQUIRED AMOUNT OF SIGNATURES, BUT NOT ENOUGH MONEY. THEY BELIEVED THE BILL WAS DISCRIMINATING AGAINST A PEOPLE WHO COULD ALREADY NOT AFFORD RECALLS, BUT HAD THEIR INDIAN ISSUES THAT THEY WANTED HEARD AND THAT THE LACK OF MONEY, ALONG WITH THE 90 DAY CAP THE LEGISLATION PRESENTLY CALLS FOR, WOULD DEADEN THE NATIVE VOICE FOR GOOD.

* * * END

TRANSACTION REPORT

APR-15-95 SAT 13:27

RECEIVE

#	DATE	S. T.	NAME	TIME	PGS	NOTE	DP
01	APR-15	13:24	G3	2' 32"	1	COM. E- 1	

HB251 Native Corporations

ATTENTION: ~~Pete Katt~~ Beverly mask

Please note sponsor summary of Carl Moses. He states, "Unique conditions exist for Native Corporations"...Shareholders who lose confidence in management simply cannot sell their shares and walk away, as can be done by dissatisfied shareholders of other corporations. In order to inspire the confidence of the shareholders and show that "consideration has been given for shareholder rights" (See Carl Moses summary), shareholders must be given the broadest freedom to participate and be given access to information so they may be able to participate in an informed manner. Why would a reasonable shareholder want to take a risk trying to get information? Shareholders would be under an extreme risk if they need to file materials before starting a campaign. If a Shareholder turned in materials and later learned he needed more information (material) and attempted to obtain them, it would be perjury. This Bill restricts the rights of the Shareholders. Are these laws really the same as perjury? Introducing criminal penalties is totally excessive. **This Bill reads that if you fail to get the required signatures in 90 days (read carefully) there will be penalties involved.** How can an individual or group truly know until he tries, how much support is out there for his resolution? The Corporations are not required to consider or submit to vote a shareholder resolution or proposal. Any proposal dealing with the same

Dear Ms. Masck,

I urge you to ask all of the legislators to read the following statements from the Alaska Natives Commission.

Much has been said about discrimination on the House Bill. Little attention has been paid to the Cultural and Social problems that will occur from implementation of this Bill. There is massive data published about the issue by experts. Books and papers are readily available. I found nothing in favor of Corporate structure and the Natives. Experts readily agree in text and personal interviews that lack of determination, government interference and Corporate structure are destructive to Natives. A government published book, Alaska Native Commission, has many references to the healing of Natives. I would like to quote you some of the findings in their overview: "The result of systematic assumption of responsibility and control by outsiders is that village people lost hold of their communities and children's lives. That is a fundamental fact underlying the contemporary Native and social and economic crisis. Whether in the area of economic development or social "advancement," the impact of government on the villages during the last quarter-century, while often materially beneficial in content, has been destructive in process. The federal government appears to have believed that "development"—social, political, economic and cultural—is something that can be done to one group of people by another. A more constructive belief that development is something one can do only for oneself and that the best others can do is to support those efforts seems never to have been recognized. If recognized, it certainly never took hold as a guiding principle. For its part, state governments interest has historically been the development of resources, not people. So much cultural destruction has taken place, such a large proportion of Alaska's most valuable natural resources have been taken from the Natives ownership and control, so much potential for social and political equity has been foregone that it is difficult to envision, let alone articulate, a basis for achieving total fairness for this and future generations of Alaska Natives." All of this information is on page four of volume one (1). Page Even more important is page VI by Dr. Robert Alberts, psychiatrist private practice and Advisory Council of the Alaska Native Foundation. "The true nature of the sickness which has spread throughout the Native Villages is the state of dependency which led to the loss of direction and self-esteem. Everything else is of a secondary nature—merely symptoms of the underlying disease. Programs which are aimed at relieving the symptoms but refuse to relate to the sickness itself are doomed to fail and may even make things worse. The healing will have to come from within the Native community. And it will have to come by means of the reawakening of the independence, the pride and the sense of purpose which at one time guided the people in their journey through the centuries. New skills are needed for that journey to continue to succeed. But most of all there needs to be a return of the spiritual strength of a cultural tradition in order to make the journey meaningful again and provide future hope for those who have become lost on the trail. Page II, he further states, "Looking back on the recent history of Alaska, it appears that many of the problems of today are related to the attitude of the non-Native caregivers who came to the state in great numbers to "save" the Native people. With some exceptions, these outsiders were thoroughly convinced—as is typical in numbers of most dominant societies—about the superiority and rightness of their own culture. Due in part to ignorance and cultural near sightedness, they believed that replacing the native culture with their own was beneficial and therefore justified. Before the newcomers came to Alaska the native people were not in need of salvation. The disintegration started when the non-native culture, totally foreign to the natural environment of Alaska, caused great disruption between the land and the Native people. Little more needs to said as it is all here in few pages of a book sponsored by the government. The Alaska natives are emerging as stated, by Dr. Alan Boruas, university of Alaska Kenai/Soldotna. In his judgement, we need to let them emerge. The healing process has barely began and the ninety day limit is creating a "chilling effect." Ninety days is worse than 10 percent. One hundred and sixty days would be more reasonable and still difficult.

Signatures is not the problem. (Money is the problem. Money shareholders have a difficult time raising Corporate money that manipulates the shareholders and introduces them to the State.)

Signatures is not the problem. (Money is the problem. Money shareholders have a difficult time raising. Corporate money that manipulates the share holders and introduces laws to the State. Money they State of Alaska and other organizations gain by placating the Corporate leaders. Money was the reason ANSCA was passed and the reason there was no time for a study on the Native needs and Culture.) The petitions have created an opening to meetings with dissidents and CIRI. All over the state the regions are preparing to rebel. The main issue seems to be the proxy. Even if we call a meeting, we cannot win but we can open the eyes of our corporations. I had a message from NANA people. They relate their corporation does not support this Bill. If this is true, then we know one Corporation is listening to the shareholders and believe in the rights of their people. Based on the above statements I feel the government should allow the Natives time to heal themselves. *This Bill has accomplished one thing and that is love and unity amongst Natives all over the state. This is a return to our cultural values and traditions.* Our Corporations need to work with us towards the healing process. Without threats of recalls and meetings this could never happen. We have heard from most of the people of the Regional Corporations and everyone implies problems began with proxy and Board manipulation of the Shareholders. One of our Elders, Mr. Larry Oskolkoff (fought for ANSCA and CIRI charter member) stated yesterday that ANSCA was good, but the wrongs come from what the Corporations did to it. If this is true, the Shareholders should have the right to correct the problems. The Alaska Native Commission speaks on allowing us to do things for ourselves and makes reference to allowing others to support these efforts. I suggest the State of Alaska support the Natives in these efforts and halt the Bill. We do not need to be dependent on the State to solve our problems or to be sympathetic to Corporate leaders who manipulated us for years and misconstrued the original backers of ANSCA. Mr. George Miller, another original ANSCA leader also supports our beliefs. If our elders who fought for us feel things are not going the way they were intended then the State should listen, because listening to our elders is part of our culture. These two individuals are the only charter members of CIRI still alive and we have strayed from their original goals. Concerned Shareholders For CIRI has been diligently working towards the healing of the people and believe in fairness and equality. This Bill is anti everything we stand for. We are developing new skills, pride and a sense of purpose because of our rights to speak out. The petitions allow us to unite and work together towards our goal of Maximum Participation as guaranteed to us under ANSCA. We can do this without assistance from non-natives. Our corporate leaders need to join us on our journey towards the future. The state of Alaska is attempting to replace the native culture with their own culture. One might look at the Corporate leaders as Chiefs and the dissidents as Sub-chiefs. This is our culture. Perhaps we need to introduce Bills in Juneau forcing our corporations to give us more participation instead of less. The rebellion is about participation and not money. Money is merely the symptom of the under-lying illness. Loss of self esteem and self direction is the illness. Remember bills aimed at covering the illness cannot cure it. Juneau is attempting to help relieve the symptoms and refusing to relate to the sickness itself. Please help us cure the illness and avoid making things worse. Corporate leaders should listen to us and not force us to air our differences in Juneau. If everything was healthy in our Corporations, we would not be speaking out. The Corporate leaders are in reality the dissidents and the State is helping them with laws that create more issues and problems. I advise all of you to research and read all of the materials about the destruction and manipulation of the people by the Corporate leaders. I had hoped Mr. Kott was going to introduce the issue of culture at the hearings but I was wrong. The culture is the issue and someone needs to address it before passing this Bill. All of ANSCA and the State law currently before the house are designed for the material impact and not the social impact. If the social impact (silencing of the people) is ignored then ANSCA and the STATE of ALASKA are both failures and the destruction of the people will continue.

HB251 Native Corporations

ATTENTION: ~~Pete Kott~~ *Beverly March*

Please note sponsor summary of Carl Moses. He states, "Unique conditions exist for Native Corporations"...Shareholders who lose confidence in management simply cannot sell their shares and walk away, as can be done by dissatisfied shareholders of other corporations. In order to inspire the confidence of the shareholders and show that "consideration has been given for shareholder rights" (See Carl Moses summary), shareholders must be given the broadest freedom to participate and be given access to information so they may be able to participate in an informed manner. Why would a reasonable shareholder want to take a risk trying to get information? Shareholders would be under an extreme risk if they need to file materials before starting a campaign. If a Shareholder turned in materials and later learned he needed more information (material) and attempted to obtain them, it would be perjury. This Bill restricts the rights of the Shareholders. Are these laws really the same as perjury? Introducing criminal penalties is totally excessive. **This Bill reads that if you fail to get the required signatures in 90 days (read carefully) there will be penalties involved.** How can an individual or group truly know until he tries, how much support is out there for his resolution? The Corporations are not required to consider or submit to vote a shareholder resolution or proposal. Any proposal dealing with the same subject matter could not be reintroduced for a vote for two preceding years. What does "substantially same subject matter" really mean? What is the definition of this and who decides the subject? Does the Corporation or is it police power? The Corporations could help the shareholders by printing unaltered resolutions submitted by the Shareholders (see resolutions submitted by Concerned Shareholders For CIRI) and submitting them for a vote. Our rights are being restricted by incredibly powerful corporations. This bill is the opposite of what Mr. Moses states in his summary. This Bill is against those who attempt to participate in their corporations. HB251 creates a "Chilling Effect" It does not encourage participation. It Discourages! Imposing penalties creates the "Chilling Effect" and no reasonable shareholder will ever again raise his voice in protest or attempt to participate in doing his job as a shareholder. Remember shareholders cannot sell our shares and walk away like other corporations. This legislature should be concerned about protecting all shareholder's rights to participate and understand what is going on (See Concerned Shareholders For CIRI resolutions and letters to the Corporation).

Bobbie Oskolkoff
P.O. Box 266
Kenai, Alaska 99611-0266
907-283-7748

att: Beverly March

From: Ruthie O'Connell
283-77518


Congress stated it intended a fair and just settlement of the Alaska Natives' aboriginal land claims. The settlement was to meet the real economic and social needs of Natives and provide for Maximum Participation by Natives in decisions affecting their rights and property. The land claims was not to establish any racially designed rights or obligations. This is clearly covered in the summary of 1971. The settlement was to be accomplished "with certainty and without litigation." HB251 is anti Maximum Participation and clearly affects the rights of Natives. The Bill does not comply with the social and therefore the cultural needs of the Alaska Natives. Under HB251 discrimination evolves around racially designed rights for the corporate leaders and places any Native who speaks out against management under strict obligations. It also gives the corporation power of litigation against Shareholders. In 1976 we were exempted from SCC and supposedly guaranteed protection from mismanagement and omissions under state law. This was never accomplished. Furthermore ANSCA is to prevail when state law conflicts with ANSCA. Currently the only protection from mismanagement is recall and the State of Alaska is clearly in conflict in Maximum Participation rights and protection from mismanagement. Sections 7 and 8 of ANSCA mention a policy of "self-determination on the part of the Alaskan Native people." Taking away the power of the people to speak is detrimental to the Alaska Natives. There will be no self determination, confidence or pride in self or corporation if we are not allowed to participate. Page 129 of "Square Pegs in Round Holes," mentions arguments in McGarvey v. Aleut Corp., ".....the usual pattern of corporate checks and balances does not exist and that in Native regional corporations abnormal, entrenched management is likely. "UCLA-Alaska Law Review" page 128, mentions other corporations having a concentration in share ownership that acts to check upon incumbent management and if they do not measure up there will likely start a

campaign to upseat them and goes on to state, "There is no such countervailing force in Native Corporations" "ANSCA Corporations represent an extreme form of separation of ownership from control, first propounded as a source of unchecked power and abuse in the classic." as noted by A. Berle and G. Means. Page 128 also mentions distance and lack of adequate communications between Native shareholder groups make it unlikely they will be able to blend together to act as an effective check on regional corporate management. Today our communication systems are improving and we are finally asking for the Participation corporate leaders manipulated away from us over the years. Currently the State of Alaska is intervening in order to remove our shareholder rights. Gary Anders of University of Alaska Juneau states, "the majority of technical positions in Native Corporations have been filled by non-Natives who may be professionally competent, but often lack the cultural understanding of a Native Shareholder." This is certainly true of Mark Krolloff, CIRI attorney and other corporate attorneys, lobbyist hired by corporations and many corporate consultants. The State lawmakers are not experts on the cultural aspect of Alaska Natives either. ANSCA created an elite class of Corporate Natives. High salaries and benefit packages make them less attentive to the concerns of the Shareholders. Gary Anders states, "...because of the elite position of Native corporate executives and the lack of sophistication of shareholders, symbolic manipulation of shareholder concerns has become an important management

... .. position of native
corporate executives and the lack of sophistication of shareholders, symbolic
manipulation of shareholder concerns has become an important management

tool. The education and experiences of the leaders made them likely candidates for leadership but they have little experience in the ways of the people. Since my editorial appeared in the Anchorage newspaper, I have received calls from shareholders in NANA Corporation and the Aleut Corporation. One is in the process of preparing to file a petition and the other is considering the possibility. Many village corporations are unhappy with HB251. The issue appears to be lack of participation and excessive control by management. Sea Alaska and CIRI shareholders are meeting together and uniting. Money seems to be only a small part of the issue. I believe ANSCA is failing. The excessive power of corporate leaders needs to cease. Shareholders need to be involved. This legislation needs to bow out of our Corporate problems and allow us to solve our own problems. Corporate leaders who are willing to compromise with the shareholders will emerge heroes. Those who persist in manipulating the shareholders need to be recalled. This emergence is no different than the Woman's Suffrage Movement or the Equal Rights Movement. If Alaska Natives have to lobby in Washington DC, then so be it because we will never be silenced by the State of Alaska and a few power hungry corporate leaders.

According to Allaire and Firsirotu 1984, "In most large corporations, there is an internationalized belief that competition and the search for profits provides the only means of survival. In the Alaska Native case, an appreciation of native values as contrasted with their corporate organization and its decision-making capabilities is critical." Mr. Gary Anders of the University of Alaska ~~Edmonton~~ states, "because of the elite position of Native Corporate executives and the lack of sophistication of shareholders, symbolic manipulation of shareholder concerns has become an important management tool." Has the Corporate structure overridden the culture of the people? The goals of the corporations and the expectations of the people appear to be incompatible. Further stated in the Development of Alaska, Gary Anders, "...when closely studying the make-up of Native Organizations and the way that Native Leaders interact with their respective shareholders (i.e. Outwardly appearing sensitive to shareholders but inwardly closed and manipulative). Twenty years ago ANSCA was a satisfactory and sensible solution. Today it is not working. The manipulation of the Corporate leaders is not necessary. The people are better educated and capable of participating in corporate affairs. Enyart v. Merrick states, "corporate officials are not and should not become trustees." If this is true the corporate leaders should inform the shareholders and allow issues to be voted upon by the shareholders. Arguments in McGarvey v. Aleut Corp. "...Wide dispersal of shareholdings, lack of communications, and lack of shareholder sophistication-indicate that the usual pattern of corporate checks and balances does not exist and that in Native regional corporations abnormal, entrenched management control is likely." Again I quote Gary Anders, "...the majority of technical positions in Native corporations have been filled by non-Natives who may be professional competent but often lack the cultural understanding of a Native Shareholder." This certainly refers to the lobbyists and attorneys hired by our corporations. These non-native employees often produce documents and letters designed to shut out the normal cultural way of the people whereas discussion and unity are necessary to our cultural beliefs and life styles.



KIKIKTAGRUK INUPIAT CORPORATION 373A Second Avenue • P.O. Box 1050 • Kotzebue, Alaska 99705
(907) 442-3165 • Fax (907) 442-2165

April 19, 1995

Rep. Pete Kott
State Capitol
Juneau AK 99801-1182

Dear Rep. Kott:

Last week I waited patiently to give Testimony on HB 251 after being informed that I would be able to do so. I now understand that no more testimony is going to be heard on this legislation. Please know that the reasons we cannot do so are given the opportunity.

Sincerely,



Willie Goodwin Jr.
Land Manager

WGJr/as

cc: Rep. Porter
Rep. Rokeberg
Rep. Sanders
Rep. Kubina
Rep. Elton
Rep. Masek

P.O. BOX 1050
KOTZEBUE, ALASKA 99752
Phone (907) 442-3165, Fax (907) 442-2165

FAX COVER SHEET

TOTAL # OF PAGES
WITH COVER SHEET

2

TO : Rep Muesel
FAX # : 465-4822
FROM : Willie Grodwin

ATTN: Beverly
DATE: 4/19/97 TIME: _____

THIS IS A:

- FAX LETTER
- QUOTE REQUEST
- PURCHASE ORDER
- COPY
- CONFIRMATION
- ADD'L INFO CONCERNING

MESSAGE:

ACTION REQUIRED:

- CALL ME UPON RECEIPT OF FAX
- FAX YOUR REPLY
- ENTER THIS ORDER
- CALL IF YOU HAVE ANY QUESTIONS
- NO RESPONSE REQUIRED

TIMETABLE:

- URGENT/RUSH
- ASAP
- TODAY
- THIS WEEK
- BY _____

REPLY:

RECEIVED
APR 06 1995
April 3 1995.

Hal Engelstad Ph. (907) 376-5976.
PO. Box 873931
Wasilla, Alaska. 99687.

REP. BEVERLY MASEK:

ROOM 418

STATE CAPITOL

JUNIEB, AK. 99501-1182

~~Dear Editor:~~ DEAR MS. MASEK:

AS

I am just about confused with the native corporations, who controls them, amends the by-laws or anything about them as much as whomever 'night-mared' them into 'being'; I know one thing, however: Should HB 251 become Law; as impossible as Sealaska's annual report and proxy statement is for an Alaskan native corporation shareholder to read and understand, being pure propaganda to make the public believe how wonderful the corporation is: grants, bonuses, perks, scholarships and money for 'others', (for which no shareholder knows anything about what the OTHER, means) implementing RULE 21 and 22, which are no more than 'buffers', protecting JOB SECURITY for management; rule 22 being a legal method to alter a voting proxy. HB 251, if passed, will be a DEATH-BLOW to Alaska native corporations per se. Even after 24 years, our stock certificate means no more than signs, that a moose walked by, one time or another.

Byron Mallott, when Sealaska's CEO, with Julie Kitkas' horde, in deathly fear for their jobs, in fear that an Alaskan native shareholder would exercise their right as United States citizens, sell their stock in order to get out of the battle for every measley dollar they get, has amended the 1971 settlement act, by-laws included, 7 (seven) times to this date. Each amendment has hacked away at shareholders civil and constitutional rights to where we doubt our U. S. citizenship.

Should HB 251 pass, the native corporations will become IMPENETRABLE, will become 'family-owned and managed', as Sealaska has openly indicated such a plan in their Feb. Mar. 'insert'. HB 251 will complete these compounds of living human flesh; the only lacking evidence would be, THE BARBED-WIRE FENCES.

Yours truly

Hal Engelstad

Hal Engelstad

LARRY CARROLLS OFFICE, BANKING, SECURITIES & CORPORATIONS
HAS PROVEN NO HELP TO SEALASKAS' SHAREHOLDERS - I ASKED
TED STEVENS FOR HELP - NONE FROM HIM OR ANY-ONE ELSE.
I PRAY YOU HELP SEE THAT H.B. 251 NEVER PASSES.
THANK YOU, SO MUCH. H.E.

April 24, 1995

HB 251

Dear Editor:

To most Americans, the Native peoples of Alaska—Eskimos, Aleuts, and Indians—are out of sight and out of mind. Yet, since the enactment of the Alaskan Native Claims Settlement Act (ANCSA) in 1971, they have been on the brink of what may be a tremendous disaster, rivaling the worst that happened to the Indians in the Lower 48 during the nineteenth century. In 1971, all stockholders expected the regional corporations to protect traditional ways of life and ancestral lands used for subsistence. Yet, they have remained just "business" aligned - our culture and our people disappearing with each minute, each day, that passes. It is our profound desire to be ourselves, to be true to our own values, that has led to the present confrontation between the Natives and the corporations. Far from deploring our failure to become what strangers wish us to be, we should be regarded as a triumph of the human spirit.

HB's 501 and 251, which two Native corporations (CIRI & Sealaska) masquerade a hidden, permanent shut out of the Native people, is like a hostile takeover of a Native corporation by board managements. The boards will now own the Native corporations legally in unspoken word. This legislation, if enacted into law, bars the Alaskan Natives from steering their settlement, and directly violates the promises of ANCSA as stated to us in Section 2(b) that the settlement was required to be accomplished rapidly with certainty, in conformity with the real economic and social needs of Natives, without litigation, with maximum participation by Natives in decisions affecting their rights and property.

The Natives know that under ANCSA their aboriginal rights were extinguished and that many uncontrolled and perhaps uncontrollable forces now threaten their way of life. ANCSA has failed them, and its goals are at cross purposes with their own. The expectations that Alaska Natives had, prior to ANCSA, for a settlement of their claims and the values they sought to protect, and the moral and ethical principles upon which their claims were founded, need to be examined by these corporations, and they need to remember, that "our past, our existence from times immemorial and desire to maintain our Native existence," are the only reasons they are sitting in those board seats, and flashing moral disloyalty and disrespect to the Alaskan Indians around the capitol, governor's office, and legislature. Why not heed the criticism, and begin to do obvious things in the legislature to protect the individual values and spirit of the Alaskan Natives, before every last one of them are gone? HB 501 and 251, bar the Natives from their Settlement, and refuse them the promises of the Claims Act. We cannot have you claiming to do one kind thing on the one hand, but really you are doing a cruel thing in the other. You have caused my family, friends, and I, great anguish with HB 251. To think my grandmother died with nothing from the Claims Act, separated without anyone to so much as speak her Indian language with. To see the tribal histories now disappearing, I can't help but think how they gave it all up for this. If it wasn't for this bill, I would not be so bold as to be here telling you, that to be our friend, is to treat us how you would want to be treated. Put one of our shoes on one of your feet.

Joan Mantei

Joan Mantei
Box 34711
Juneau, AK 99803-4711
586-3506

P.O. Box 22184
Juneau, AK 99802

April 18, 1995

Representative Pete Kott, Chairman
House Labor & Commerce Committee

Dear Representative Kott:

Upon our return home and after reading the newspaper back-issues for the month of March, as a Sealaska and Goldbelt, Inc. shareholder, I am compelled to also write in opposition to House Bill 251 relating to Native corporations.

I have learned interested Native members of the community have been attending L&C committee meetings to express their opposition to this proposal. Please make this letter part of the records on HB 251.

The decision of the Native corporate boards to run to the Alaska State Legislator to sponsor House Bill 251 is without the knowledge or consent of their shareholders. This action raises questions of control over the Alaska Native Claims Settlement Act (ANCSA) corporations.

At the very beginning, bylaws for each Native corporation was an important basic issue where board of directors should have asked shareholders to be involved in creating this important document. Among other things, bylaws define the relationships and distribution of power among the shareholders, the board of directors, and the officers. Directors who drew up this instrument reserved this right for themselves. Thus, when the board decides to change the bylaws to suit themselves, shareholders are not informed and their approval is never required.

In other words, directors gave themselves full reign to run our Native corporations without the concurrence of its shareholders. The only power shareholders have is to elect the directors. That same power is also the power to remove them. For the last 24 years shareholders have had no mechanism with which to limit the actions of their board of directors.

For example, our corporate election process has all but broken down. The election system that was supposed to protect shareholders works only to insulate the board of directors.

In the pay area, the board of directors do not link their board fees, benefits and retirement to company profit. The top executives, their lawyers, consultants and lobbyists made money implementing the act, but shareholders have received few financial benefits.

Margaret Gamble
page 2

April 18, 1995

When a member of the board is in conflict, the extent and nature of that conflict is never explained. Conflict of interest is abused when a board member serves on another Native corporation, or is employed and deals with other Native corporations.

Stocks were to become transferable as of December 1991, but at the request of the board of directors, the 1991 amendments changed the original terms. Our stocks may never reach the open market unless 50% plus one shareholders agree.

The 1991 amendments also provides, Native children born after December 18, 1971 and the Natives who missed the deadline, may also be enrolled. My understanding is the board in their judgment may enroll new people and left-outs. The current board of directors keep postponing this issue without explanation to shareholders. They hire technical pollsters to find out hwc shareholders feel about enrolling new people.

After reading HB 251 I believe the intent is to further severely restrict what is left of shareholder rights. It will give the elected board of directors complete power to refuse shareholder proposals and petitions unless they (shareholders) meet the proposed regulations in that bill. It also provides that shareholders will be punished if they violate these rules by paying fines up to \$2,500 for a single violation, or not more than \$25,000 for multiple violations; or "...who wilfully violates AS 10.06.960(m), upon conviction, is punishable by a fine of not more than \$5,000, or by imprisonment for not less than one year nor more than five years, or both." (emphasize is mine. mg)

Board of directors have it backwards that shareholders be punished. In general, as soon as they (board of directors) accepted the responsibility of serving as a director - they took on a fiduciary responsibility and may be personally liable for corporate acts, even ones OK'd during a board meeting that the director missed. Board of directors are all liable.

The State Department of Commerce & Economic Development, Division of Banking, Securities & Corporations has jurisdiction over corporate matters. I am curious as to what advise/recommendations they offered to the individuals who drafted HB 251. I'm sure they have numerous records of Native shareholder complaints (including records at the State Ombudsman's office), that could have been researched.

Shareholders want to have a voice in the destiny of their Native corporations. It's time for the board of directors to start communicating with its legal owners, the shareholders. They must start conducting informational meetings with all shareholders in mind. It's also time for the board to apologize for the times they have chastised (punished) shareholders when questioning their policies, their mistakes and money losses.

Margaret Gamble
page 3

April 18, 1995

I respect and honor the leadership and supporters of the 1971 Alaska Native Claims Settlement Act. To name a few; Emil Notti, Willie Hensley, John Sackett, John Borbridge, Jr. Their hard work and efforts will be acknowledged and appreciated when the history for that era has been written. They themselves said ANCSA was not a perfect bill. But they did what they could when the bill was being swamped in Congress with amendments. #1, the bill brought back some of the land-base we needed to start our Native-owned corporations. The leadership who replaced them should have completed the work where they left off by correcting the deficiencies in ANCSA. The current board, in the last 24 years has had ample time to do so.

Shareholders want to improve the situation but have no options to do so. It appears their last resort, for whatever reason(s) is to recall Sealaska board of directors. No one should deny them that power.

Please do not pass this bill. Thank you.

Margaret (Marge) Gamble
P.O. Box 22184
Juneau, AK 99802

Telephone: 907/586-1615

copies to: State Department of Commerce & Economic Development
Division of Banking, Securities & Corporations
Attn: Larry Carroll

Sealaska Corporation, † Leo Barlow, President/CEO
Goldbelt, Inc., † Bob Martin, Jr., Chairman
Interested shareholders

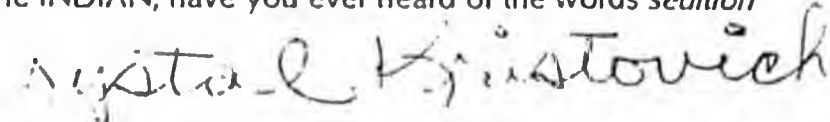
HB 251

April 23, 1995

About the adversity Cook Inlet Region, Inc., and Sealaska Corporation have released upon the Indian people with HB 501 (last year) and HB 251 (now). As an Alaskan Native, I thought we would make some provisions for the board members (which participated) exactly the same as those they propose be forced upon all Alaskan Eskimos, Indians and Aleuts in Alaska. When a man in a business suit makes a half million dollars, and goes to the Alaskan Legislature telling that he no longer wants to hear from shareholders, we do not have to ask why. You spend those hundreds of thousands of dollars fighting the criticism you receive from the different Indian tribes that were forced to make you rich, while you keep them poor and without their Indian land. We've only asked for our Indian land and our traditional Native life to survive, the things that Congress promised us. Let us even the game score here and make each of your board seats so that:

- 1) You have 180 days to get our votes for your campaigns, done on your own funds to get to the board seat.
- 2) You get fined \$2,500 to \$25,000 for not carrying out your campaign promises; for straying from accomplishing the promises of the Claims Act; for saying that Alaskan Natives were all for just the democratic party at election time (when they were not); for paying for their campaign out of OUR aboriginal claims money. Yes, for such things you will get a minimum of 1 year in jail, but no more than five, under the law of order on MISLEADING STATEMENTS.
- 3) Each of you must have a total of 25% of all Sealaska shareholders preliminarily for you before you can get on the ballot even, that may ensure that we will never see you on the ballots or hear from you again - a situation well deserved by you since we've seen the hidden permanent shut out you masquerade on us with HB 251. This will provide a *CLEAR ROAD MAP* for our not having to see you ever again, as Maxine Richert put it, *WHERE NON EXISTED BEFORE*.
- 4) If you fail to get on the board, each of you will no longer be able to campaign, except until two years pass. It is already about \$15,000+ to get on, and about that much to petition to get you off - we'll even the odds making some of them against YOU.

Then, we'll take these Native-sensitive amendments to a Labor & Commerce Committee of seven members, which are all non-Natives, with the exception of one Native and her friends that fight for you on the committee (Masek). This committee will be 56.8% against supporting you before the hearings even begin, with a chance possibility a minority 42.6% of the committee may be for you, and give them the deciding vote on whether to incorporate the above amendments on a Native minority group of people. You board member corporations, have forgotten about the INDIAN, have you ever heard of the words *sedition* and *treason*!


Crystal Kristovich
c/o Box 34711
Juneau, AK 99803-4711
586-3506

April 5, 1995

Tom L. Pittman
3328 Glacier Hwy. Apt. 39
Juneau, Ak. 99801

Committee on Commerce and Labor
Alaska House of Representatives
Juneau, Alaska 99801

Re: CSHB 261

Dear Committee Members;

The working draft of CSHB 261 version of March 30, 1995 contains language which will place excessive burden on dissenting shareholders. On page 2 of the draft, lines 26-28 include the following: "The notice must state in detail the purpose of the special meeting and include a copy of the petition or request *and all materials* to be used in connection with the solicitation."

As "all materials" will be interpreted to include any posters or fliers created by local supporters of a petition, any such petition or request could subject its sponsors to the penalties as provided in Sections 3 through 7. I strongly urge deletion of the clause "and all materials," as unnecessary.

Given the inalienable nature and even distribution of stock holdings in Native corporations protection must be afforded minority shareholders. These shareholders are not able to divest themselves of stock in a corporation whose management they disapprove, so must exert influence on the direction of these corporations.

Directors of these corporations may better discharge their responsibilities by dissemination of information and responsiveness to shareholder concerns than by using shareholders' assets to promote restrictive and punitive laws.

Thank you for your attention.



Tom L. Pittman

STATEMENT by JOSEPH G. WILSON In Opposition to House Bill 251
Sealaska & Goldbelt, Inc., Shareholder

April, 1995

Representative Pete Kott
State House Labor & Commerce Committee

Shareholders in Sealaska, Cook Inlet Region, Inc, and other Alaska Native corporations are captive shareholders because unlike a regular for profit corporation, like Chevron or K-Mart for example, they cannot sell their shares if they become dissatisfied with the direction or performance of the corporation.

When the board of directors or the management ignore the concerns of the shareholders, the only recourse or choice shareholders in an Alaska Native corporation have under State law to bring about change is to recall the entire board of directors.

The Alaska Native Claims Settlement Act (ANCSA) of December 18, 1971 was a Congressional settlement on a grand scale. It was to settle the Alaska Natives aboriginal claims to all the land and resources in Alaska. It authorized 12 regional corporations, some 200 village and urban corporations to be formed throughout the state. Under the enrollment, approximately 70,000 Alaska Natives became the shareholders in these corporations. Each shareholder was issued 100 shares of stock from their respective corporation. The corporations had selection rights to 44 million acres of land and a cash payment to get started.

House Bill 251 relating to Native corporations drastically diminishes the individual shareholder rights for these Alaska Native corporations shareholders to represent themselves in the corporation.

This is a gross misuse of power in our democracy.

It is not fair for the highly paid management, consultants and board of directors to by-pass the shareholders by requesting the legislature to act on HB 251. It will make it virtually impossible for shareholders in these Alaska Native corporations to fairly represent themselves.

I mean no disrespect but it appears to me that the legislators are being duped into doing some dirty work for those making this request. God forbid, but if such a bill passes and those requesting it of you have to answer to their shareholders. They will say they didn't do it - **it was done by the legislature.** I can only say that these shareholders reside throughout the state and are also registered voters that take an active role, and indeed they may be some of your constituents.

This issue should not even be before the legislature. Our legislature should not be enacting laws restricting the rights of only a certain class of citizens in our state.

It also violates some of our basic civil rights by restricting our freedom of speech.

The proper fair and just forum to resolve this issue is to have the individuals desiring this kind of change take it before their respective corporations. Their shareholders will then have opportunity to consider it by voting for it or against it. If it passes it will thereby amend

their respective Articles of Incorporation and by-laws that govern their elections.

The present Alaska Administrative Code Rules for ANCSA Corporation Solicitation of proxies for the corporations annual meetings and special meetings is overseen by the Alaska Division of Banking, Securities and Corporations.

Under these rules shareholders do not have a fair level playing field in the election process. The rules favor those that are in power to perpetuate themselves. When the management slate is challenged by an independent candidate the board of directors react very strongly by doing anything it takes to win the election. They are in a powerful position because they control the financial and political resources of the corporation. Unlimited financial resources are employed to hire more attorneys, more public relation consultants, more proxy workers.

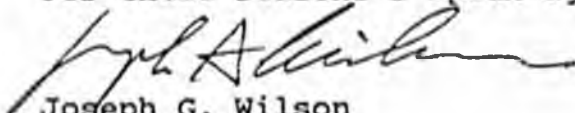
Proxy workers solicit proxies or votes from the shareholders in the election, paid by the hour and by the proxy they deliver to the corporation. They are motivated by financial incentive from the corporation to collect more and more proxies. There have been many complaints that shareholders are threatened and coerced into signing the corporation proxy. This system also entices proxy workers to forge proxies for the pay and other benefits they may receive from the corporation. There have been many complaints of forged proxies and fraudulent elections.

This legislation does nothing to fix these problems but instead weighs heavily in favor of perpetuating those in power by making it virtually impossible for the shareholders to represent their valid concerns.

It is true that there is much dissention in the ANCSA corporations through out our State. The money someone mentioned as the sole root of these problems and the election issues I have referred to are only the tip of the iceberg.

The issues are more complex than what you see or hear of at this time. In great part it has to do with the struggle of trying to fit our Native values to the corporate America values thrust upon us by ANCSA. In many cases the bottom line of a corporation financial statement does not relate to the tribal values and concerns a shareholder may have about the corporation. The shareholders are expressing it the best they can and for the time being it would be better for the Native community to workout these problems themselves.

For these reasons I speak against House Bill 251.



Joseph G. Wilson
P.O. Box 021534
Juneau, AK 99802

COOK INLET REGION, INC.

VIA TELECOPY - (907) 465-2819

April 20, 1995

The Honorable Pete Kott
House of Representatives
State Capitol, MS 3100
Juneau, AK 99801-1182

Re: HB 251

Dear Chairman Kott:

Thank you for this opportunity to comment on the draft CS for HB 251 submitted by Lawrence P. Carroll, Acting Director, Division of Banking, Securities and Corporations.

We believe that the draft CS is seriously defective in several respects:

1. It omits Section 2(b) of the prior CS, which required that, where a corporation has a classified board of directors (one with staggered terms), cause must be shown for the recall of directors prior to the expiration of their terms. This provision protected shareholders from sudden, sweeping changes without cause, and from the needless expense and disruption of repetitive petition drives.

At the hearings held by your Committee on the former CS, Willis Kirkpatrick, Director of the Division, testified that he supported Section 2(h). The omission of the provision from the new draft CS by the Division is both unnecessary and insupportable. We would request that this provision be reinstated.

2. CIRI endorsed the removal of criminal penalties from Section 6 of the former CS. However, the Division's new draft CS omits not just the criminal penalties, but also all of the procedural requirements of Section 2(m) of the former CS, all of the enforcement mechanisms of Sections 3 through 5 of the former CS, and the civil sanctions of Section 6 of the former CS. These omissions essentially gut the bill of any requirement that the Division take action when false and misleading material is distributed, and leaves the groups that distribute such material free to do so with impunity.

This certainly protects people who want to distribute false and misleading material, but those people are not really deserving of protection. It also protects the Division's interest in taking little or no action to halt repeated proxy violations by these people, and instead to merely be the repository for filings. But it is the

The Honorable Pete Kott
April 20, 1995
Page 2

historical failure of the Division to act to curb proxy abuses by these groups that gave rise to the need for the bill to begin with.

The one group that is not protected by these omissions is the people the proxy rules are designed to protect in the first place, the recipients of proxy materials, who are entitled to receive materials that are complete, accurate and not misleading.

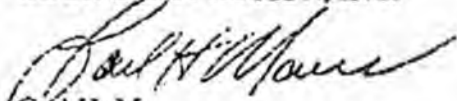
3. We see little basis for the reduction from 25 percent to 15 percent, in Section 2(1) of the new draft CS, of the number of shares required to call a special meeting of shareholders. The 25 percent figure was derived from a close analogy to the petition process provided in the Alaska Native Claims Settlement Act ("ANCSA"). The 15 percent figure was suggested by Mr. Kirkpatrick because it seemed reasonable to him. However, this is not, we would submit, an adequate basis nor nearly as sound a basis as conforming state law to analogous ANCSA procedures.

If, after its consideration, the Committee feels that a lower figure than 25 percent is appropriate, we would respectfully suggest 20 percent, which is more closely analogous to the ANCSA figure and is halfway between the two suggested figures.

If you have further questions, or desire the submission of further information, we would be pleased to respond.

Sincerely,

COOK INLET REGION, INC.



Carl H. Marrs
President and Chief Operating Officer

CHM/pk/01/120

cc: The Honorable Carl E. Moses
House of Representatives

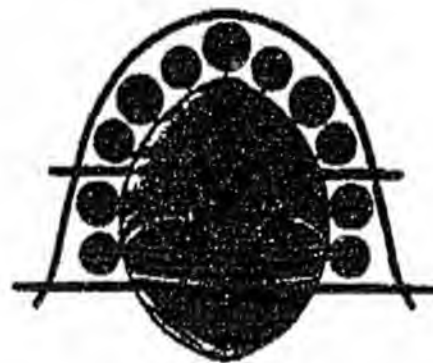
The Honorable Bill Williams
House of Representatives

The Honorable Eileen MacLean
House of Representatives

William L. Hensley, Commissioner
Department of Commerce and Economic Development

Lawrence P. Carroll
Acting Director
Division of Banking, Securities and Corporations

Sealaska



April 5, 1995

Natives Of Kodiak, Inc.

Representative Alan Austerman
House of Representatives
State Capitol
Juneau, Alaska 99801

Re: House Bill No. 251

Dear Representative Austerman:

Natives of Kodiak, Inc. ("NOK") is an Alaska Native urban corporation with 637 shareholders. We have reviewed House Bill No. 251 and oppose it. It is a poorly written, heavy handed (and probably illegal) attempt to chill the rights of Native corporation shareholders and will subject smaller Native corporations to new and burdensome regulations. House Bill No. 251 will substantially increase the hurdles which shareholders must overcome to petition for a special meeting by:

1. Increasing the number of shares necessary to call a special meeting from 10% to 25% of the outstanding shares.
2. Requiring the petition and all materials to be filed with the corporation as well as with the State Department of Banking and Securities and providing a new filing requirement for smaller Native corporations.
3. Imposing new civil and criminal penalties that are guaranteed to generate litigation, while at the same time inhibiting legitimate shareholder petitions.

The bill also includes several provisions which will apply only to Native corporations, apparently for the protection of existing management, and will not apply to Alaska business corporations in general. We are concerned that this provision violates section 7 (h) (1) of ANCSA [43 U.S.C. 1606 (h) (1)] by depriving only Native corporation stockholders of important rights they have in "a business corporation organized under the laws of the State of Alaska." That the legislation discriminates only against Native corporations is likely to raise constitutional issues as well. The proposed legislation is ambiguous and objectionable enough to say that the only thing it really guarantees is lots of litigation.

Representative Alan Austerman

Page 2

April 5, 1995

Even if the proposed law is not illegal, it is bad public policy. Native corporation shareholders are prohibited by federal law from selling their shares. If they are unhappy with their corporations, they cannot sell their shares and buy stock in another corporation. Their only remedy is through the fairly limited avenues of "corporate democracy." We at NOK also want to maintain corporate stability, but we don't think that has to be at the price of stifling all corporate dissent--as HB 251 would surely do. Existing provisions of the Alaska Corporate Code allow 10% of the shareholders of any corporation to call a special meeting. We think that has proven to be a fair requirement, but we don't think you can require only Native corporation shareholders to clear a higher hurdle.

Proposed AS 45.55.920 (e) (Section 5 of the bill) is written in a way that merely on "information a person is about to engage in an act" in violation of AS 10.06.960 (m), the administrator is required to issue an order directing the shareholders to cease and desist and to void any proxies. NOK is a Native corporation, but we do not believe that any "information" a corporation gives the administration is necessarily true. There should at least be a hearing before shareholders are enjoined and their proxies voided. Sections 6 and 7 of the bill also add criminal and civil penalties and a provision which allows Native corporations and shareholders to sue each other for violations of AS 10.06.960 (m). Native shareholders and their corporations are already burdened by too much litigation. These provisions will only add to that burden. It is really odd that a legislature which is trying to limit litigation in some respects appears to be willing to unnecessarily add to it here.

Finally, the bill contains several instances of less than precise drafting or calls for legislation applicable to organizations which probably don't want a change in existing law AS 10.06.960 (m) (Section 2 of the bill) apparently would apply to all Native corporations, including those with less than 500 shareholders. These corporations are specifically exempted from the proxy rules by reason of AS 45.55.139. Without notice and debate this bill would cause them and their shareholders to become subject to new rules, penalties and possible litigation. This is a nice bill for lawyers, but not a nice bill for shareholders. This is a change that is not needed.

While we don't know the reasons for the proposed legislation we can speculate that it is being promoted by those that don't want to take the time to explain to their shareholders why there should be no big dividends, particularly since shareholders acting on their own cannot cause a corporation to pay dividends. They can only vote out directors.

The existing rules and statutes governing petitions for shareholders' meetings are substantially the same as those generally applicable to corporations throughout the United States under the Federal and State Securities Acts. They have struck a balance developed over many years. The proposed bill seems to substantially shift that balance in favor of

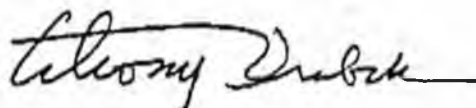
Representative Alan Austerman
Page 3
April 5, 1995

existing management. This is not necessarily an advantage to Native corporations and their shareholders. For the reasons we've laid out in this letter, we think HB 251 is an ill-conceived (probably illegal) attempt to stifle Native corporation dissent. If you are not willing to at least extend its provisions to all Alaska business corporations, you should not apply it to any of them--particularly not to Native corporations.

If you have any questions, please call me at (907) 486-3606.

Yours very truly,

NATIVES OF KODIAK, INC.



Anthony Drabek
President and CEO

cc: Willis Kirkpatrick, Commissioner of Banking and Securities
Representative Carl Moses
Representative Bill Williams

Martina Ruhle
P.O. Box 110102
Anchorage, AK 99511

April 18, 1995

VIA LIO POUCH
SERVICE

Representative Pete Kott
House of Representatives
State Capitol, Room 409
Juneau, AK 99801-1182

Re: H.B. 251 re: Native Corporations

Dear Representative Kott:

PLEASE COPY AND DISTRIBUTE the following letter to the Labor and Commerce Committee.

I am a Sealaska and Shee Atika shareholder. I am writing this letter in opposition to House Bill 251 regarding Native corporations. This bill is an attempt to quash my rights FIRST as an AMERICAN and SECOND as an ALASKA NATIVE.

WHAT AMERICAN CORPORATION SHAREHOLDER WOULD STAND FOR THIS?

The present regulations require, among other things, 10% of outstanding shares to call a special meeting to get shareholder concerns called to attention. For example, if a corporation had 500,000 outstanding shares, that would mean 500 shareholders¹ would have to get organized and agree to pursue their concerns. If done correctly and within the law, this process sounds very much like a constitutional right to free speech.

If you let this bill pass, any non-ALASKA NATIVE shareholder in any corporation could be heard with lesser requirements and lesser sanctions. And if this non-ALASKA NATIVE shareholder was still disgruntled, he or she could sell his or her shares and get out.

If you COULD NOT sell and get out (as is the case with Native corporations) because of poor management or corruption, then what would you do? Voice your concerns in a special meeting? Well, read House Bill 251. Could you successfully jump the hoops that are being tossed into this Anti-American bill? Is this just

¹ 10% of 500,000 = 50,000, divided by 100 shares per shareholder = 500 shareholders.

Representative Pete Kott
Page 2
April 18, 1995

another way to quash my rights as an AMERICAN to free speech?

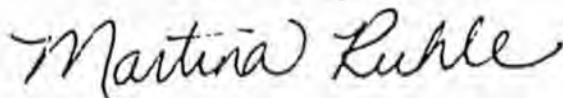
WHY SHOULD ALASKA NATIVE SHAREHOLDERS BE SILENCED AGAIN?

Free speech is an AMERICAN concept. Then why can it NOT apply to ALASKA NATIVES? If you increase numbers and hurdles and impose fines and imprisonment, then WHO would question anything? Do I dare speak out against authority when the threat of imprisonment is eminent? Has the old Soviet Union moved to Alaska, where questioning authority (regardless of truth) subjects one to imprisonment?

Why is this just for ALASKA NATIVE shareholders? We cannot impose fines and imprisonment based on the fact that he or she is an ALASKA NATIVE shareholder -- it is racially discriminatory and undemocratic! Ask any Representative or Senator in Juneau if they would like to have these sanctions imposed on their involvement in Alaska corporations. I'm sure they all have been involved in the corporate structure. Why make laws that are just going to create lawsuits and bad feelings?

This bill is racist in nature and cannot be taken lightly. I am only one person and an ALASKA NATIVE person. If my rights as both an AMERICAN and an ALASKA NATIVE are sanctioned, then what can I do? I am only one person. Do you see my problem? If I cannot make a difference and change YOUR minds, as lawmakers, then how will I ever get my Native corporation to listen to me? I am only one person. Now wait a minute, I could try to collect 25% of all outstanding shares (not 500 people, but a mere 1,250 people) first, then submit my petition to the State of Alaska for further scrutiny and then if that's not what my corporation wants, then I could be thrown in jail. WHAT KIND OF RIGHT TO DUE PROCESS is this? Do you think YOU would want to question authority? Do you think I will be heard?

With trust that you will hear,



Martina Ruhle, Shareholder

APR 21 1995

To: Rep. Kim Elton
House labor & Commerce Comm.
State Capital
Juneau, Ak

From: ANSCA Shareholder
Juneau constituent

Paul C. Nelson

RE: House Bill 251

To put this Legislation in proper perspective perhaps your committee could consider a revision to the state election laws that would provide for the following:

1/ all potential candidates for the seats you now hold will be required to file all campaign materials in advance with your office, failure to do so subjecting them to civil and criminal penalties.

2/ Any potential candidate will be required to obtain the signatures of 25% of the registered voters in his/her district on a nomination petition before being eligible to run.

3/ Potential candidates will be limited to ninety days from the time they file their materials with incumbents to secure the necessary nomination signatures.

4/ Incumbents may not be challenged for just any reason, challengers must establish judicial cause before attempting to unseat any incumbent.

5/ Any incumbent who survives an election challenge may not be thus challenged again for two more terms in office.

While this all borders on the absurd consider the very provisions that House Bill 251 will impose on Native shareholders across the State. Absurd indeed! If it is the will of the majority of us to recall and or replace our respective elected boardmembers so be it. These Corporations do after all belong to the shareholders. The officers and directors are our stewards subject to the will of the shareholders not the other way around. House Bill 251 in any form is an abomination for shareholders. Please feel free to distribute this note to other members of the Committee.

Paul C. Nelson
P.O. Box 34203
Juneau, AK 99803
789-3140

*

April 24, 1995

Rep. Pete Kott, Chair
House Labor and Commerce Committee
State Capitol
Juneau AK 99801-1182

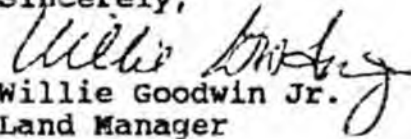
RE: CS for House Bill No. 251 (L&C)

Dear Rep. Kott:

We are strongly opposed to the above referenced bill being considered by the House Labor and Commerce Committee. The existing statutes provides the shareholders, Boards of Directors, and administrators the avenues needed to resolve disputes or disagreements. Furthermore, the statutes provide an opportunity for amendments to the Articles of Incorporation be made by a positive vote of the shareholders to accommodate portions of this proposed legislation.

It is our sound belief that an open door policy and good communication is essential to optimize profits and benefits to our shareholders. This bill, even in its compromised form insinuates the opposite of our purpose.

Sincerely,


Willie Goodwin Jr.
Land Manager

WGJr/as

House Bill 151

Alaska State Legislatures
Juneau, Alaska

Ladies and Gentlemen;

4-24-95

I want to thank our State Legislatures and House Representatives gathered in this historic political arena for taking the time to listen to our testimonies. I deeply respect and appreciate the freedom we enjoy and liberty available to be able to testify before each one of you. Thank you!

First my name is Franklin Williams I was born and raised in the Native village Kake, Alaska. We wife Emma and children moved here to Juneau over twenty-five-years ago. My Tlingit name is "Shkane" a descendant of the Kaach-Adi-Nation and Raven by virtue of our Tlingit custom. As you can see our 1971 Alaska Native Claims Settlement Act (ANCSA) did not extinguish my birthrights, heritage and blessings.

My testimony: I also came here to express my own feelings regarding "House Bill 151." As you all know it is a bill that could decide the destiny of Natives as corporation shareholders one way or another. Ladies and gentlemen its crystal clear that this bill that awaits your decision is definitely not the kind that will promote the principles of our valued American Democracy and Justice. A Democracy that was established on fairness and equal opportunities in all areas of our lives. Why do I claim this condition? The answer to this question can be answered in more ways than one.

Forinstance, this bill that came from almost nowhere is asking our State Legislatures special privilege and favor. To provide and create a law that will allow our Regional Native Business Corporations to fine its own ANCSA Native shareholders. Mainly concerned shareholders sometimes formed according to guidelines set up in their own Corporation By-Laws. Members of this noble Legislative body I urge each of you to examine both sides carefully and sincerely. It appears the left side will only solidify the wall that already exist between shareholders and their own Regional Business Corporations. Surely your job as law-makers is directed to uphold Democracy rather than the type of totalitarian form activity House Bill 151 reflects. The kind that robs a people justice and freedom. You must remember that we are a people that still live within A Nation or a new Nation still conceived in liberty to give new births of freedoms to all its people regardless of race, color or creed.

Surely I don't have to remind anyone here but as you already know it shareholders organized forming a group to recall Board Directors of any corporation is a normal and healthy business practice exercised in the corporate world even here in America. This does not warrant government involvement or interference. Maybe unless the possibility of fraud or embezzlement is found. Corporation By-Laws endorses this kind of shareholder actions. It is not a crime or violation of Business Laws available to shareholders. Therefore, as you can see, approving House Bill 151 will only criminalize Business Laws that suppose to protect shareholders' rights and will definitely undermine our freedom, as well. We are not nor wish to be deceived continually we

(2.)

know House Bill 151 will merely bail out a few from embarrassment they may be suffering. After twenty-one-years of slumbering complacency and greed at the expense of the same shareholders they want out of the way, today. As a result certain Regional Native Corporation Board Directors and management are supporting this bill, behind closed doors, and they definitely want to remain solely independent separated from the corporation owners. The concerned Native shareholders, involved.

Obviously, Goldbelt, Kake Tribal and others that gave shareholders power to participate in all areas of their corporations is the kind of fairness our Regional Corporation lacks, miserably. They lack the faith and determination our smaller Native Corporations exhibit and it frightens them a lot. The result is we do not see economic growth or prosperity in the areas where Native shareholders live. But what we see today is a wealthy arrogant and complacent Regional Corporation that brags about things like huge bonuses they been telling us about the past twenty-one-years.

Ladies and gentlemen its also self-evident that Native Alaskans are in need of a better form government other than the kind our complex 1971 ANCSA formed. Steve Cooper during his honorable governorship tenure expressed a powerful statement that may help us to understand the nature of the problems facing Native Alaskans, today. When he advised again troubled Natives this: He said, Quote: "The problems that Native Alaskans are facing today are the same kind that lead to the Founding Fathers." unquote Surely this statement applies again today the House Bill 151 is the physical evidence and proof. A powerful advise that invoked Greater Self-Determination Law also available. A law that has the ability to resolve the basic problems that came with our complex 1971 ANCSA. We cannot deny that the mother to all State-Chartered Native Corporations is definitely the 1971 ANCSA. A complex law that identifies the Articles of Confederation that was scrapped at the American Constitutional Convention 1787. After the Founding Fathers decided it was a primitive law. As we all know it it also paved the way for the most profound Constitutional Democracy that protects our freedom and basic fundamental rights.

Ladies and gentlemen, as we all know it fairness also demonstrates wisdom that we often lack. In closing I want to leave with each one of us gathered in this noble political arena these precious words found in the Sacred Writings, as follows, Quote: "Bless the name of God for power and wisdom belong to Him. He removes kings and establishes kings. He gives wisdom to wisemen and knowledge to men of understanding. It is He who reveals the profound and hidden things. He knows what is in the darkness and the light dwells with Him." unquote

Thank you! This ends my testimony.

Franklin S. Williams, Sr.



RECEIVED

ALASKA STATE LEGISLATURE

HB 251

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE HOUSE LEGISLATIVE COMMITTEE
 COMMITTEE ON HB 251 DATED APRIL 13 1995
 BILL SUBJECT

I AM OPPOSED TO HB 251. OFTEN I HEAR NATIVE LEADERS BEMOANING THE FACT NATIVE ALASKANS ARE OVER REPRESENTED WITHIN THE JAIL SYSTEM. WE DO NOT NEED NATIVE LEADERS COMING UP WITH MORE WAYS TO MAKE CRIMINALS OUT OF OTHER NATIVES (ANCSA SHARE HOLDERS). I AM MOST PLEASED THE COMMITTEE DELETED SECTION 6. NATIVE PEOPLE ARE STRUGGLING TO PRESERVE THEIR SUBSISTENCE WAY OF LIFE, FELONS ARE NOT TO HAVE WEAPONS, SO THOSE NATIVES, IF CONVICTED, WOULD NOT BE ABLE TO HUNT. I SUPPORT MR. KIRKPATRICK'S RECOMMENDATION THAT SECTIONS 3-6 BE DELETED, I BELIEVE THERE ARE ALREADY ALASKA STATUTES COVERING SUCH PENALTIES.

SHOULD HB 251 MAKE IT THROUGH THE COMMITTEE, I SUPPORT THE 10% > 500 and 25% < 499.

I REALIZE THE NATIVE CORPORATIONS MUST BE MANAGED, BUT MORE EFFORTS AT EDUCATION BY CORPORATE MANAGERS IS A BETTER SOLUTION. SUCH AS "DIALOGUE WITH POYEN," WHERE MORRIS THOMPSON HAS OPEN DISCUSSIONS WITH THE SHAREHOLDERS. THE MANAGERS NEED TO EDUCATE SHAREHOLDERS ABOUT ALL THE ISSUES IN HB 251

THANK YOU

SIGNED *Husk Walker* HUSK WALKER

TESTIFIER

DOYON SHAREHOLDER
 REPRESENTING (OPTIONAL)

P.O. BOX 52365 FAIRBANKS, AK. 99708 / (907) 458-9558
 ADDRESS/PHONE NUMBER

FROM HAROLD
Rudolph

I propose HB 351

I'm A SHAREHOLDER OF CIRI
ONE OF THE MANY OWNERS
WE AS OWNER OF CIRI
DO NOT WANT THIS BILL TO
TAKE RIGHTS AWAY. THIS
BILL BEFORE YOU'S DISCRIMINATE
AND IS FALSE AND MISLEADING
THE WAY IT'S PRESENTED THAT
IT WOULD SOLVE ISSUES THAT
HAVEN'T ^{HAPPENED} IN THE PAST

PUT YOUR ADVERTISEMENTS
TOGETHER LET THE CORPORATE
LEADERS LOOK AT IT, THEN
PUT IT TO A SHAREHOLDER
VOTE

Sharon Lee Hill O'Connell

I have been listening to testimony
and the workshop conversations and
I will feel that this bill no
matter how you look at it
is another attempt to force
people some what legally
change to same.

Picking state statutes to create
discrimination to shareholders is
unconstitutional + criminal to
a race of people.

I oppose the whole bill HR 251



Alaska State Legislature

Please enter into the record my testimony to the Labor & Commerce committee name

committee on HB251 , dated _____
bill/subject:

Please see attached ADN Article ⁽¹⁻⁵⁻⁹²⁾ on our Broadcast Properties on page 2 is the info. SFCF was given a lot of CENSURE on. Our Broadcast properties value ^{NEW} DROPPED / FELL whatever ^{NOT an ACCOUNTING} item as told to us. nearly \$200 MILLION. ^{on the other} item; whose propy was on the street FIRST. CIRI's was + they didn't tell the shareholders about the 2 Resolutions we presented to CIRI calling for the SPECIAL M.T.G. CIRI didn't tell the SH. how they were going to vote. Approx. 4 days after CIRI mailed theirs, SFCF mailed theirs. We were arguing for a BALLOT theirs. The mail be sent + voted on. We instead had a sp. mtg which we didn't get to vote on ^{our} resolutions that CIRI restated w/ how they wanted the money spent on.

Signed: _____
Testifier
Melice Alexander - Calcote , AD HOC Chair
Representing (Optional) SFCF
205 E Diamond #326 Anch, AK 99515
Address
(907) 349-1546 4/12/95
Phone no.

House Bill 251

① A lack of communication - that is the current situation.

① ~~2~~ We should require all meetings be open to the management, board members, shareholders and the public.

② Set up the ability of the shareholders and public to set up committees to bring forward suggestions and solutions on the problems they see.

② No penalties should be placed on the shareholders for their rights to control their own funds.

③ They should also have the right to petition for these changes they feel are important to them. As small amount of members as possible should be able to do this.

22221 Eagle River Rd.
Eagle River, AK

Jim Cochran

4-12-95

#M 694-2091



Alaska State Legislature

Please enter into the record my testimony to the CRIMINAL JUSTICE committee name

committee on HB 351 dated 2-10-95

bill/subject

I AM A FIRE SHARER GOLDEN.
IN RECENT attempts to communicate with
you have been intertable I am still
against this biased protection. In pursuit
of truth we are filing everything thru
courts & agencies. AS ONE IN QUESTION,
JUST MURDER KROLOFF SAYS NEEDS PROTECTION
I FEEL ITS A GROSS INJUSTICE TO ALL.

Signed: Guinnia C. Healy
Testifier

Representing (Optional)

4501 PIMSON AVE SpA A

Address

272 7095

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the (H) Labor & Commerce
committee name

committee on HB - 251, dated APRIL 12, 1995
bill/subject

I TAKE THIS TIME ^{TO} VOICE MY TOTAL OPPOSITION
TO BILL HB-251

Signed: Paul J. Ostroff
Testifier

Representing (Optional)
101 BUNNELL DR 99508
Address

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the (H) Labor & Commerce
committee name

committee on HB-251, dated April 12, 1995
bill/subject

WE OPPOSE HB 251 BECAUSE IT DISENFRANCHISES THE VAST MAJORITY OF NATIVE SHARE HOLDERS, IT LIMITS THEIR INHERANT RIGHTS IN MANAGING THEIR OWN AFFAIRS THERE IS NO DANGER IN BANKRUPTING THE NATIVE CORPORATIONS WITH MAXIMUM NATIVE PARTICIPATION, THE WAY THINGS ARE PRESENTLY, NATIVES WILL SEE TO IT THAT GOOD, HONEST, KNOWLEDGEABLE, FAIR-MINDED DIRECTORS ARE ELECTED TO THE BOARD. OPPOSITION TO THIS TERRIBLE HB-251 IS IMPERATIVE TO ENSURE THAT BOARD OF DIRECTORS DO NOT PAY THEMSELVES EYORBITANT FEES AND SALARIES WITHOUT APPEVAL OF MAJORITY OF STOCKHOLDERS

Signed: Father Simon & Mrs. Lubov and Mother Nadia Ostoloff
Testifier

Representing (Optional)

7625 SNOWVIEW DRIVE

Address

(907) 522-2397

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce committee name

committee on House Bill No. 251, dated 4-12-95 bill/subject

My name is Mary Ann Mills, I am speaking for myself although I express the feelings of many ^{CIRI} households.

I am against H.B. #251 & against my Native Region spending money belonging to us for the purpose of supporting this Bill without advising the shareholders.

1. CIRI did not (adequately) inform their shareholders of legislation affecting & limiting the rights of their ANCSA shareholders.

2. ANCSA states shareholders must have maximum participation without integration, which is not provided in HB 251.

We would like to the Policy Makers aware that 70% of CIRI shareholders are in or below the poverty level, our people have the highest incarceration rate per capita, yet Sec 3 protects fines & incarceration to an already oppressed people.

Lastly, ANCSA is not a jurisdictional act. ANCSA is not a treaty, and ANCSA was voted by only 500 + some people & not approved by some 59,500. Article 12, Sec. 12 of the Alaska State Constitution states the State & its People forever disclaims... to any property, including hunting & fishing rights or title which maybe held by or for any Indian, Eskimo or Aleut, or community thereof. . . . We ask the State of AK, none

Signed: Mary Ann Mills, Without Prejudice UCR 1-207
Testifier

Self - Affiliated with Concerned Shareholders for CIRI
Representing (Optional) General Council Member of Traditional Donal Sme Title

Address P.O. Box 143, Sterling, AK. 99672

Phone No. 907 262-5403

(300)

17946 ~~has left~~ ~~is~~ ~~speaking~~ for the Board of Directors, which does not necessarily reflect the wishes of the ^{11/11} shareholders.

Mary Ann Mills

Without Prejudice, UCC 1-207



Alaska State Legislature

Please enter into the record my testimony to the Alaska Labor and Commerce committee name

committee on HB 251 , dated 4-12-95
bill/subject

Ancsa and this process is cross manipulation to undermine the Human, Civil and Political Rights of Indigenous People of Alaska Native Ancestry. The self elected Board of Directors of the Regional Corporations are shivering. CIRI lost 100 million dollar and the shareholders want to make them accountable. The shivering Native Designates run to the lawmaking process that caged them politically and economically but placed themselves in a Palace. Run to daddy! Remember Ferdinand Marcos of the Philippines. In a good time your daddy can't protect selective and designated fraud.

NO! to H.B. 251 -
NO! to Corporate and legislative tyranny
This is corporate rights vs. Human Rights. The corporation cannot speak on my human behalf. There is equity law vs. common law. My freedom of speech is unabridged. This country is shaking because of this manipulation of our Human Rights.

Signed: Ronald T. Barnes CCC 1-207 without prejudice
Testifier BBWC Shareholder
designated by political designation to be a

Representing (Optional)

Address

Phone No.

Directors are trying to make themselves invulnerable
The Board of
Legislatures and board of directors are only
forcing us to other forms of performance.

Child Sovereignty

This testimony allows no procedural right of the
State of Alaska or the Native People - Board of
Directors.

Arnold J. Hansen

UCC 1-207 Without Prejudice

Our Human Rights are NOW-NEGOTIABLE
Mark Speaks for only ~~the~~ Board of Directors
Krolott Fifteen

*What is the definition of "MISLEADING"
or are some concepts & terms "IN QUESTION"

These are decisions to be made from
shareholders - NOT MANIPULATIVE. Board of Directors

Monday, April 10, 1995

George
file w/ 251
folder

To
Representative Pete Kott
State Capitol RM: 432
Juneau, AK 99801
Fax: 907-465-2819
From:
Concerned Citizens and Shareholders of NANA Regional Corporation

We, the undersigned Citizens, and shareholders in NANA Regional Corporation are opposed to the passage of HB251 which is now before the Alaska State House of Representatives. We are opposed to the amendments to Sections 2 through 7 of Article 10.06.480. It is our opinion that these amendments serve only to consolidate the power of the corporate board over the shareholders. Further more, we believe that the amendments to Section 1 are necessary to protect Native Shareholders from unscrupulous acts of corporate boards. But, because of the other amendments attached to HB251 we must ask you to vote down this bill when it comes before the House. We respectfully submit the names of Citizens, and Shareholders who request that you vote this bill down.

1	Print Name: <i>Harold Ferguson, Alaska 99752</i>	Signature: <i>[Signature]</i>
Address: <i>DONALD Ferguson, Sr</i>		Phone:
2	Print Name: <i>George Downey</i>	Signature: <i>[Signature]</i>
Address: <i>224 West 94th #2100</i>		Phone: <i>216-1450</i>
3	Print Name: <i>MILVIE GRACE SORLIENEN 99719</i>	Signature: <i>[Signature]</i>
Address: <i>P.O. Box 103122 AK AK 99510-3122</i>		Phone: <i>276-9545</i>
4	Print Name:	Signature:
Address:		Phone:
5	Print Name:	Signature:
Address:		Phone:
6	Print Name:	Signature:
Address:		Phone:
7	Print Name:	Signature:
Address:		Phone:
8	Print Name:	Signature:
Address:		Phone:
9	Print Name:	Signature:
Address:		Phone:

[Handwritten mark]

X
KIKIKTAGRUK INUPIAT CORPORATION 373A Second Avenue • P.O. Box 1050 • Kotzebue, Alaska
(907) 442-3165 • Fax (907) 442-2165

7
April 24, 1995

Rep. Pete Kott, Chair
House Labor and Commerce Committee
State Capitol
Juneau AK 99801-1182

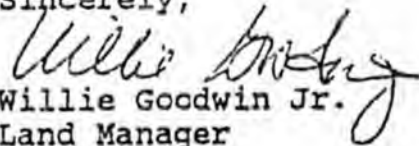
RE: CS for House Bill No. 251 (L&C)

Dear Rep. Kott:

We are strongly opposed to the above referenced bill being considered by the House Labor and Commerce Committee. The existing statutes provides the shareholders, Boards of Directors, and administrators the avenues needed to resolve disputes or disagreements. Furthermore, the statutes provide an opportunity for amendments to the Articles of Incorporation be made by a positive vote of the shareholders to accommodate portions of this proposed legislation.

It is our sound belief that an open door policy and good communication is essential to optimize profits and benefits to our shareholders. This bill, even in its compromised form insinuates the opposite of our purpose.

Sincerely,


Willie Goodwin Jr.
Land Manager

WGJr/as

RECEIVED
APR 19 1995

FAX COVER SHEET

TOTAL # OF PAGES
WITH COVER SHEET

3

TO : Rep Beverly Maset ATTN: Rep Maset
FAX # : 465-4822
FROM : Willie Goodwin DATE: 4/19/95 TIME: _____

THIS IS A:

- FAX LETTER
- QUOTE REQUEST
- PURCHASE ORDER
- COPY
- CONFIRMATION

ADD'L INFO
CONCERNING

ACTION REQUIRED:

- CALL ME UPON
RECEIPT OF FAX
- FAX YOUR REPLY
- ENTER THIS ORDER
- CALL IF YOU HAVE
ANY QUESTIONS
- NO RESPONSE
REQUIRED

TIMETABLE:

- URGENT/RUSH
- ASAP
- TODAY
- THIS WEEK
- BY _____

MESSAGE:

REPLY:

April 17, 1995

TESTIMONY TO HOUSE LABOR & COMMERCE COMMITTEE

Mr. Chairman, Members of the committee:

Thank you for giving me the opportunity to come before you and testify on House Bill 251. My name is Willie Goodwin Jr. I represent Kikiktagruk Inupiat Corporation, a village corporation created under ANCSA. We have over 1,900 shareholders who are enrolled in our corporation. We strongly oppose this legislation. We firmly believe that we should not make it any more difficult for our shareholders to address issues that may be important to them. The existing statutes provide for adequate procedures for this process and adequate balance between the shareholder and administration or Board of Directors. The proposed requirement of 25% of the represented shares needed to call a special meeting is unreasonable because it makes it more difficult for proponents of a special meeting to gather the signatures.

The sponsor and various corporate executives or boards refer to corporate stability. We must keep in mind that a vast majority of these administrators and board members have held their positions for over twenty years. How much more stability do you want?

We are cognizant of the fact that not every shareholder will be satisfied or happy with the decisions being made but if the directors and administrators are doing their jobs properly they should have nothing to worry about.

TESTIMONY TO HOUSE LABOR & COMMERCE COMMITTEE

We also believe that any issue should be brought before a special meeting at any time whether it was defeated or dealt with and should not have a two year limitation. Shareholders or dissenters should not be subject to penalties when all they are asking is to be heard on issues that affect the everyday shareholder.

This legislation is special interest legislation and should not be passed because it makes it more difficult for that shareholder who might have a legitimate concern to be heard. Internal corporate policy and management needs or changes can and should be made by individual corporations if a corporation cannot adequately handle its affairs satisfactorily with its shareholders. Why should 200+ corporations be subject to special laws when less than 2% of them are having problems with the issues?

Our purpose statements reads "To Optimize Profits and Benefits to Shareholders." The Board strongly believes in this. Communication and openness is vital and furthermore, this legislation is seriously at odds with this purpose. We cannot in good faith sit back and allow this proposed legislation to move forward without speaking out against it. We have worked hard to foster communications and openness with shareholders and this legislation proposes the opposite by making it harder for our shareholders to let us know we are not doing our jobs. Furthermore, it proposes to penalize shareholders for telling us we are not doing our jobs.

X
April 12, 1995

TESTIMONY TO HOUSE ~~CONFERENCE~~ LABOR & COMMERCE COMMITTEE

Mr. Chairman, Members of the committee:

Thank you for giving me the opportunity to come before you and testify on House Bill 251. My name is Willie Goodwin Jr. I represent Kikiktograk Inupiat Corporation, a village corporation created under ANCSA. We have over 1,900 shareholders who are enrolled in our corporation. We strongly oppose this legislation. We firmly believe that we should not make it any more difficult for our shareholders to address issues that may be and important to them. The existing statutes provide for adequate procedures for this process and adequate balance between the shareholder and administration or Board of Directors. The proposed requirement of 25% of the represented shares needed to call a special meeting is unreasonable because it makes it more difficult for proponents of a special meeting to gather the signatures.

The sponsor and various corporate executives or boards refer to corporate stability. We must keep in mind that a vast majority of these administrators and board members have held their positions for over twenty years. How much more stability do you want?

We are cognizant of the fact that not every shareholder will be satisfied or happy with the decisions being made but if the directors and administrators are doing their jobs properly they should have nothing to worry about.

TESTIMONY TO HOUSE LABOR & COMMERCE COMMITTEE

We also believe that any issue should be brought before a special meeting at any time whether it was defeated or dealt with and should not have a two year limitation. Shareholders or dissenters should not be a subject to penalties when all they are asking is to be heard on issues that affect the everyday shareholder.

This legislation is special interests legislation and should not be passed because it makes it more difficult for that shareholder who might have a legitimate concern to be heard. Internal corporate policy and management needs or changes can and should be made by individual corporations if a corporation cannot adequately handle its affairs satisfactorily with its shareholders.

Our purpose statements reads "To Optimize Profits and Benefits to Shareholders." The Board strongly believes in this. Communication and openness is vital and furthermore, this legislation is seriously at odds with this purpose. We cannot in good faith sit back and allow this proposed legislation to move forward without speaking against it.

We have worked hard to foster communications and openness with shareholders and this proposes the opposite by making it harder for our shareholders to let us know we are not doing our jobs. Furthermore, it proposes to penalize shareholders for telling us we are not doing our jobs.

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

April 10, 1995

SUBJECT: Sectional Review of CSHB 251 (Draft Work Order No. 9-LS0662\G)
relating to Native corporations

TO: Representative Beverly Masek
Attn: Dave Stancliff

FROM: *JB*
Theresa Bannister
Legislative Counsel

You have requested a sectional review of the above-referenced bill draft that includes a comparison to current law. This memo provides that sectional.

Section 1. This section merely adds a cross-reference to a new subsection created by the bill. It is intended to be only a technical change. The reason for the addition is that the new citation is an exception to AS 10.06.405, and AS 10.06.405 is referenced in (a)(1) of the section.

Section 2. This section adds new provisions to the for-profit corporations code. These provisions only apply to ANCSA corporations.

Subsection (l). The 25 percent requirement. This subsection increases the percentage of shareholders required for calling a special meeting of an ANCSA corporation by shareholders. The general requirement in the chapter is found at AS 10.06.405 and is 10 percent. This subsection applies only to special meetings called by shareholders, not to regular meetings. Regular meetings are required to be held annually, and are used, among other things, to elect directors whose terms have expired.

This subsection also affects AS 10.06.465(c). That subsection presently allows shareholders to call a special meeting to elect a new board of directors under certain conditions. The percentage would be increased from 10 percent to 25 percent in that subsection as well.

ANCSA (at 43 U.S.C. 1629b(c)(1)(A)) uses the 25 percent threshold. In that provision, 25 percent of the total voting power may submit a petition to the board of directors to submit certain important amendments to a vote of the shareholders.

Subsection (m). Special meeting filing requirements. This subsection establishes specific requirements for shareholders to request special shareholder meetings. There is no counterpart for these requirements in the for-profit corporations code (AS 10.06). In ANCSA, 43 U.S.C. sec 1629b(c)(1)(B) specifically states that the requirements of state law relating to the solicitation of proxies govern the solicitation of signatures for certain petitions regarding certain important amendments to the articles of incorporation of the corporation."

Subsection (ii). Director removal. This provision creates an exception for certain Native corporations from the provision (AS 10.06.460) that other for-profit corporations follow. This provision essentially removes the existing right for shareholders of certain ANCSA corporations to remove directors without having a reason. This subsection essentially applies to ANCSA corporations with classified directors (directors with staggered terms), or to ANCSA corporations that were given the authority to provide in their bylaws for classification (under sec. 57, ch. 82, SLA 1989).

The Official Comment to AS 10.06.460 (House and Senate Joint Journal Supplement, May 15, 1987, No. 9, at page 103) indicates that AS 10.06.460 "provides an important shareholder check upon the incumbent directors [that was] innovated in California and [is] now found in the New York (optional), Delaware (optional), and Model Acts."

The shareholders would still have, as do other corporations, the ability to elect new directors at the annual meeting when the directors' terms end. If the ANCSA corporation does not have classified directors or the ability to use their bylaws to provide for classification, the shareholders could still proceed under AS 10.06.460, or elect a new board under AS 10.06.465(c) if the AS 10.06.465(c) conditions are met.

Subsection (o). Two-year threshold. This provision imposes a special requirement on ANCSA corporations that does not appear to be found elsewhere in AS 10.06. This subsection essentially allows the management of a Native corporation to not act upon repetitive matters requested by shareholders. Other corporations under the corporations code do not have this restriction.

Section 3. Administrative orders. Allows the "Administrator" (the commissioner of commerce) to issue orders for violations of the new special meeting filing requirements (proposed sec. 10.06.960(m)) for ANCSA corporations. The violation must be knowing or intentional. This represents one of the bill's enforcement tools for the filing requirements. There is no comparable section for other corporations. It represents a change from the state's current securities law.

" ANCSA also states that federal law requirements are to govern the solicitation of signatures for ANCSA corporations subject to the Securities Exchange Act of 1934, 43 U.S.C. sec. 1629c(1)(B).

Section 4. Procedural requirements for orders. Adds the new enforcement provision under sec. 5 to this subsection that regulates the notice and hearing requirements for the Administrator's orders.

Section 5. Mandatory administrative action. This is another one of the bill's enforcement tools. This one covers actual and potential violations. It covers the new filing requirements under proposed sec. 10.06.960(m) as well as the filing and truthfulness requirements of AS 45.55, the state's version of the SEC act. AS 45.55.139 requires the filing of certain documents with the Administrator. AS 45.55.160 requires the materials filed to be truthful and not misleading.

The provision is limited to ANCSA corporations and to violations that relate to regular or special shareholder meetings. It represents a change from the state's securities law. It is unusual, in part, because it requires the Administrator must take the action listed if informed of an actual or potential violation.

Section 6. Criminal penalty. This is another of the bill's enforcement provisions. A shareholder who wilfully violates the special meeting filing requirements (proposed sec. 10.06.960(m)) is guilty of a crime. Although this section only appears to make one amendment, it also covers Native corporation special meeting solicitations through AS 45.55.139 and 45.55.160 because those sections cover proxies. "Proxy" is defined in the bill to include a request for a Native corporation special meeting of shareholders.

Section 7. Civil Actions. This is a new section for this chapter. The new section allows an ANCSA corporation, a shareholder of the corporation, or both, to bring a civil action for a violation of certain laws if the violation relates to a regular or special meeting of the corporation's shareholders. Provides for the recovery of damages, the voiding of a proxy, and an injunction against additional violations.

AS 45.55.930 presently imposes civil liability on a person who buys a security from a person who violates certain provisions of AS 45.55. The new provision is not tied to the purchase of stock. The new provision allows the action if a person violates AS 10.06.960(m), AS 45.55.139, or 45.55.160 with regard to a special or regular ANCSA shareholder meeting. The new provision also allows the person to recover damages for the violation or to enjoin the person from continuing or committing additional violations.

A shareholder can bring the action as a derivative action. In other words, the shareholder can bring an action on behalf of the corporation for damages suffered by the corporation as a result of the violation or to enjoin violations.

Section 8 adds a definition of "Native corporation" and "proxy" to the state's securities act. The definition of "proxy" is significant because it pulls special shareholder meetings of Native corporations into the securities filing requirement of AS 45.55.139 and into the truthfulness requirements of AS 45.55.160.

Representative Beverly Masek
April 10, 1995
Page 4

If I may be of further assistance, please advise.

TLB:klb
95-251.klb