

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8671 HOUSE LABOR & COMMERCE

INTRODUCTION

Alaska Natives hold a complex, dual political status, as both U.S. citizens and aboriginal Americans. Just what that dual status entails is uncertain and controversial. But it is clearly a tool Alaska Natives can use to help change policy and increase self-determination.

This paper examines the political status of Alaska Natives. One objective of the paper is to show why Alaska Natives can claim both special status under federal Indian law and policy as well as equal status with all other citizens under federal and state law. Another objective is to explain why Natives' special status is so intensely disputed, particularly by Alaska state government and some of the non-Native interests it represents. A third objective is to explore the consequences of dual status for current policies and programs affecting Alaska Natives: tribal status and powers, village and regional governance, village services, and subsistence. The concluding section of the paper describes issues related to those policies and programs, and raises specific questions that could help guide policymakers.

Courts, legislators, and executives disagree about the rights, status, and powers of Alaska Natives. The Alaska Supreme Court has said that, except for the Metlakatla Indian Community, there are no Native tribes in Alaska possessing inherent powers of self-government or tribal sovereignty (*Native Village of Stevens v. Alaska Management and Planning* 1988). The U.S. Ninth Circuit Court of Appeals, on the other hand, says that most of Alaska's Native villages may be tribes with inherent governmental powers (*Native Village of Noatak v. Hoffman* 1990; *Native Village of Tyonek v. Puckett* 1992).

The U.S. Congress, in the Alaska National Interest Lands Conservation Act of 1980, said that Natives and other rural residents of Alaska should have a "subsistence preference" for harvesting fish and wildlife when these resources are in short supply. The Alaska Legislature, in 1990, disagreed. After the Alaska Supreme Court decided that a preference based on rural residence was unconstitutional, the legislature refused to place a rural preference amendment to the state constitution on the election ballot.

In 1990, Governor Steve Cowper issued an administrative order directing that Alaska's villages should be treated as tribes with certain sovereign governmental powers, limited mainly to control of their internal affairs (State of Alaska 1990). Contradicting the Alaska Supreme Court, he included powers that the court had explicitly denied existed. Then, in 1991, Cowper's successor, Governor Walter Hickel, revoked Cowper's administrative order with an order of his own, declaring that "Alaska is one country, one people. The State of Alaska opposes expansion of tribal governmental powers and the creation of 'Indian Country' in Alaska" (State of Alaska 1991).

Which of these conflicting positions authoritatively describes the current political status of Alaska's approximately 200 Native villages? Paradoxically, they all do. In questions of Indian policy in the United States, history and politics have conspired with the legal system to defy consistent, straightforward answers. Moreover, Alaska Natives represent an unusually complicated case in the larger context of American Indian policy.

The complexities of Indian policy arise not just from the convolutions of the American political and legal systems or the creative imaginations of lawyers. It is primarily the body of American Indian law itself, as it has evolved during two centuries, that provides the basis for contradictory opinions about the political status of Alaska Natives and Native Americans generally. Indian law is not unique in this regard; American law abounds in contradictions. Yet, Indian law represents an extremely volatile case. This is so because contemporary Indian law is the product of many abrupt and dramatic changes in the relationship between America's aboriginal peoples and the Euro-Americans who took the continent away from them.

ACKNOWLEDGMENTS

David Case, Lee Gorsuch, Gerald McBeath, and George Irvin provided valuable comments on previous drafts of this paper. I am solely responsible, however, for interpretation, conclusions, and any remaining errors.

Thomas Morehouse

Thomas Morehouse is professor of political science with the Institute of Social and Economic Research (ISER) at the University of Alaska Anchorage. He has studied Native government issues for more than 20 years, and has written a number of books and articles on the subject. Those include "Rebuilding the Political Economies of Alaska Native Villages," ISER Occasional Paper No. 21, 1989; and The Dynamics of Alaska Native Self-Government, by Gerald McBeath and Thomas Morehouse, published by University Press of America in 1980.

**THE DUAL POLITICAL STATUS
OF ALASKA NATIVES
UNDER U.S. POLICY**

by
Thomas A. Morehouse
Professor of Political Science
Institute of Social and Economic Research
University of Alaska Anchorage

Supported by
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Anchorage, Alaska

March 1992

This publication is printed on recycled paper.

REPRESENTATIVE KIM ELTON

MEMORANDUM

To: Pete Kott, Chairman, House Labor and Commerce Committee
and Committee Members

From: ~~Representative Kim Elton~~

Date: April 10, 1995

RE: Letter from Hazel Hunter Igtanloc re
HB 251, Native Corporations

Hazel Hunter Igtanloc wishes to present testimony to the committee in person on HB 251 but has been unable to do so because she cares for her disabled husband. Attached are the typed and handwritten copies of Mrs. Igtanloc's letter to me. Mrs. Igtanloc is a 73-year-old, life-long Alaskan who has worked for settlement of the Native Claims.

Attachments: as noted

cc: Mrs. Igtanloc

Hazel Igtanloc
4412 Mendenhall Blvd.
Juneau, Alaska 99801
March 31, 1995

Representative Kim Elton
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Elton:

My name is Hazel Hunter Igtanloc. I have lived in Alaska all my life. I grew up at Angoon, Alaska. As a child I saw my grandparents participate in raising money to help those who were traveling village to village with information regarding the Land Claims.

The Native people were always hard pressed financially. In summers they worked in canneries to make money for the winter months. All this never changed into the 1960's when we were also hard-pressed financially to help Tlinget & Haida Group-At-Large send two representatives to Washington, DC. (Roy Brown and John Borbridge). We raised enough money for one fare only. I asked my husband if we could use his credit at Pan American World airways for the round trip fares to Washington and he said "Yes we could use it". That is how we got the fares for Washington, DC.

Tlinget and Haida Group-At-Large provided the men to go to Washington DC., and under the leadership of one of these men-- Sealaska was born. I worked at Tlinget and Haida Group-At-Large's temporary office (Marie Engberg's living room) as an unpaid publicist. (See attached).

Our Board of Directors have forgotten the hardship of their people and are more interested in using the Corporation as a vehicle to get themselves more money for income and retirement. They have been treating us unfairly during Sealaska Meetings by ruling us out of order if we beg for more information about our Corporation or beg to differ with them.

They say their salaries are commensurate with other corporations. Since when have representatives of poor people spoken like this. When the statistics were given in 1989 28.8% of Alaska Natives

were in poverty as compared to 8.5% Whites and 12.1% people overall in Alaska in poverty. (Source: Juneau Empire, March 22, 1995).

It is not the vision of our forefathers that those who work for Sealaska have more than the people they represent.

The corporations have no right to curtail our freedom of speech because it is against the law nor try to frame "Mischief By Law" to curtail other rights we have as American citizens.

I am an elder person aged 73. I have a right to speak. I am against HB 251.

Very truly yours,

Hazel Hunter Igtanloc

Date of employment (month, year) From 1964 To 1965		Exact title or position Volunteer Publicist		If Federal Service, position or military grade	
Salary or earnings Starting \$ per	Avg. hrs. per week	Place of employment City Juneau, State Alaska	Number and kind of employees supervised Committees, Secretaries, Clerks		Kind of business or organization (Manufacturing, accounting, insurance, etc.)
Name of immediate supervisor Roy Brown/John Borbridge			Name of employer (firm, organization, etc.) and address (including ZIP Code, if known)		
Area Code and phone No. if known					
Reason for leaving					

Description of duties and accomplishments in your work

During the beginning of the Land Claims, (for Tlingit-Haida Group-At-Large) I was the publicist in Juneau, Alaska. I thought of and presented to the standing committee, composed of 12 members: Idea: (1) To present a wreath larger than the nation to the late John F. Kennedy's grave. I was asked why so large? I told the committee that what a better idea than this could you come up with to bring to the attention of the American People that this formerly was our land, that we were here first? That this Irishman who had received the votes from the American People to be the President of The United States was now lying on our soil? And that we also honor him? They took a vote and I was giving the "Go-Ahead" to phone Roy Brown and John Borbridge at the Willard Hotel in Washington, D.C., to tell them how I wanted it done. I asked for donations for the floral wreath and asked for a special committee and a treasurer to go with me to ACE Flowers to have them take care of the order. This was done and we went to ACE Flowers and gave them my ideas: (a). One wreath larger than the Nation gave and (b). 8" Wide Ireland Green Ribbon, all green carnations interspersed with white carnations.

Next I had to draft a speech to go with it. Try as I might, I couldn't forget what I had read in "The Story of the American Indian", by Paul Radin, Ph.D. Author of "Primitive Man as Philosopher", and "The Racial Myth". Formerly Professor of Anthropology at the University of California. It goes like this: Quote: "Try to do something for your people," so ran an old injunction to the chief, "something difficult. Have pity on your people and love them. If a man is poor, help him. Give him and his family food, give them whatever they ask for. If there is discord among your people, intercede. Take your sacred pipe and walk into their midst. Die if necessary in your attempt to bring about reconciliation. Then when order has been restored and they see you lying on the ground dead, still holding in your hand the sacred pipe, the symbol of peace and reconciliation, then assuredly will they know that you have been a real chief." Unquote. This quote was so very appropo of the situation at the time that the committee voted to have this send on to Washington where our delegation was at the time. So, Marie Engberg, Melba Wallace and I went to see my family lawyer, Robert Boochever, to ask advise about copyright laws. We were told to give Paul Radin credit on file. So, this was what was done. Afterwards, we went to ACS and sent the telegram to delegation.

I also composed telegrams to be sent to Senator Ernest Gruening, Senator Bob Bartlett, Congressman Ralph Rivers. Congressman Ralph Rivers was present with Roy Brown and John Borbridge at the wreath presentation at Arlington Cemetary. State of Washington our sister state was there at that time and when they recognized the Chilkat Indian Chief Robes and Headdress Roy Brown was wearing, they volunteered to be honor guard. They are shown in the film presentation on TV.

(Continued Next Page)

For 15007 use (skill code, etc.)

Dates of employment (month/year) From 1964 To 1965		Title or position Volunteer Publicist		If Federal, State, Civilian or military grade	
Salary or earnings Starting \$ per		Avg. hrs. per week	Place of employment City Juneau, State Alaska	Number and kind of employees supervised Committees, Secretaries, Clerks	Kind of business or organization (manufacturing, accounting, insurance, etc.)
Name of immediate supervisor Roy Brown/John Borbridge			Name of employer (firm, organization, etc.) and address (including ZIP Code, if known)		
Area Code and phone No. if known					
Reason for leaving					

Description of duties and accomplishments in your work

** The speech was released during the presentation of the flowers. I asked Roy and John to see if we could get publicity on this. They said we sure could, as Washington Post was "bird-dogging" them all over Washington, D.C. They promised Washington Post first exclusive if we could get TV coverage - this was done. This TV film was brought back to Juneau by the delegation and released at KINY-TV Studio. I also have the speech on record in my possession on cassette tape.

Next, I called the committee together to tell them that we needed more money for corresponding stationary. They authorized that I could ask for donations. I also asked for volunteers of people who had very good long-hand script. Out of all those who were tested four (4) were selected - Edward Kunz Jr., Sandra Borbridge, Tom Dalton and one more whose name I can't recall at this time. I dictated all of the letters that went to the Kennedy family - a total of 7 letters. Letters were addressed to Mrs. Joseph P. Kennedy, Jaqueline Kennedy, Robert F. Kennedy, Eunice Kennedy Shriver, Patricia Kennedy Lawford, Edward Moore Kennedy, (Ted), Jean Kennedy Smith. All the letters had to be different one from the other. We received a thank you letter from all the Kennedy's.

During this time I also had a steno pool going. This was composed of secretaries, clerks. We had a day shift and night shift. All on voluntary basis. I sometimes worked till 3:00 a.m.! I just never noticed the time because of the heavy workload.

I had to work on problems such as: Mrs. John Borbridge (Emma) called one day and said that the Juneau-Douglas School Superintendent, had called to ask why John was taking extended leave? What are we going to do? I told her that I would call the committee together, that they would decide what should be done. This done, and since I was part of the committee I made a suggestion that we send letter of apology to the school on behalf of the Tlingit-Haida people and thank them for being so patient. This done, we also contribute money to buy two (2) pots of flowers. (One for Mr. MacMillan, Superintendent, Mr. Overstreet, Principal, of Juneau-Douglas High School). The committee voted and elected me to represent the group at this presentation. This I did with Cecelia Kunz. After this was done I called Mr. Borbridge.

Roy Brown and John Borbridge called that they would be coming home. Now, all I have to do is plan a reception. I arranged that we greet them in Indian Costume at the Juneau Airport. So, I presented this idea to the committee. They said this was a very good idea. So it was voted in. This I also had to clear with Alaska Airlines - I pointed out that though I realized that this would in some way restrict traffic within the terminal look at the advantages - how many times have you been privileged enough to see on "All Costumed" Indian Dance by the Tlingit-Haida people? (Continued Next Page)

For agency use (skill code, etc.)

Dates of employment (month, year) From 1964 To 1965		Exact title or position Volunteer Publicist		Is Federal service, civilian or military grade	
Salary or earnings	Avg. hrs per week	Place of employment	Number and kind of employees supervised	Kind of business or organization (manufacturing, contracting, education, etc.)	
Starting \$ per		City Juneau,	Committees,		
Final \$ per		State Alaska	Secretaries, Clerks		
Name of immediate supervisor Roy Brown/John Borbridge			Name of employer (firm, organization, etc.) and address (including ZIP Code, if known)		
Area Code and phone No. if known			(continued)		
Reason for leaving					

Description of duties and accomplishments in your work

And wouldn't it also add color to the Juneau Airport and for tourists to see the pageantry? Yes, of course, they said, and they agreed to this.

That done, all that was left to do was to arrange with the Alaska Empire for news coverage. This done, I arranged that the Native villages and the Tlingit-Haida people in cities be notified. The villages responded, those I can remember: Juneau, Angoon, Haines, Hoonah, etc. Arranged that all had costumes, car pools to Juneau Airport, that cameras would be in the right position, etc.etc. Also, that we had two (2) dozen red roses for the wives of Roy Brown and John Borbridge. This we presented at the airport. (More committee meetings and donations)!

** Among projects I directed, I managed and organized a public statement while 3,000 miles remote from the delegation who was to take action.

These activities required me to use reason and logic and required me to be persuasive and diplomatic.

This work was interesting and challenging -- I like to be involved.

March 31, 1995

Representative Kim Elton
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Elton:
My name is Hazel Hunter Igtanloc. I have lived in Alaska all my life. I grew up at Angoon, Alaska. As a child, I saw my grandparents participate in raising money to help those who were traveling village to village with information regarding the Land Claims.

The native people were always hard pressed financially. In summers they worked in canneries to make money for the winter months. All this never changed into the 1960's when we were also hard pressed financially to help Thlinglet & Haida Group-at-Large send two representatives to Washington, D.C., (Roy Brown & John Borbridge). We raised enough money for one fare only. I asked my husband if we could use his credit at Pan American World Airways

for the round trip fares to Washington
and he said yes we could use it.
That is how we got the fares for
Washington, D. C.

Thingit & Haida Group-at-Large pro-
vided the men to go to Washington
D. C., and ~~and~~ under the leadership
of one of these men - Sealaska was
born. I worked at Thingit & Haida
Group-at-Large's temporary office (Marie
Engberg's living room) as an unpaid
publicist. (See attached).

Our Board of Directors have forgotten
the hardships of their people and are
more interested in using the Corporation
as a vehicle to get themselves more money
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I am an elder person aged 73. I have a right to speak. I am against HB 251.

Very truly yours,

Hazel Hunter Stanton

PREPARED TESTIMONY
OF RODNEY PEDERSON
ASSISTANT HOUSE COUNSEL
FOR
ARCTIC SLOPE REGIONAL CORPORATION
ON HOUSE BILL 251
March 27, 1995

Via Fax: 1 (907) 465-2619

Before the Committee on Labor & Commerce
Alaska House of Representatives

My name is Rodney Pederson and I am the Assistant House counsel for the Arctic Slope Regional Corporation (ASRC) and am also a shareholder of the corporation. I thank the Committee for the opportunity to comment on House Bill No. 251 today, and would especially like to thank Representatives Moses, McLean and Williams for sponsoring the Bill.

As you probably are aware, the Arctic Slope Regional Corporation is one of the regional Native corporations established by the Alaska Native Claims Settlement Act and is one of the entities within the state which would be most affected by the provisions of this Bill. However, I would also like to point out that I, as a shareholder of a Native corporation and a member of the class of people whose rights this Bill is mainly intended to affect, am here to speak not only on behalf of the management of the Arctic Slope Regional Corporation, but as a shareholder of the corporation also.

First, as a representative of the Arctic Slope Regional Corporation, I want to convey that ASRC strongly supports the legislation proposed by House Bill 251; and further, that it supports and agrees with the comments made by the representative of the Cook Inlet Region Incorporated (CIRI). I will not use up too much of the Committee's time by repeating the points made in Cook Inlet's comments, but would simply like to point out that ASRC shares the same concerns and has faced many of the same problems, disruptions and expense encountered by CIRI in dealing with shareholder proposals. It is the opinion of ASRC that the approach to dealing with these problems taken by the provisions in House Bill 251 would be a substantial and important step in preventing or minimizing such disruptions and expense in the future.

I would like to point out to the Committee that there are substantial and important distinctions between a Native corporation and a regular business corporation.

These differences were recognized by the U.S. Congress and prior Alaska legislatures in drafting statutes concerning Native corporations. Congress and prior Alaska legislatures recognized that the unique make up of the stockholders of a Native corporation as compared to a normal business corporation justified different rules and standards between the two types of corporations for considering and voting on several important corporate governance topics, such as changes to the articles of incorporation, changes to eligibility requirements for stock ownership and removal of alienability restrictions.

A Native corporation, unlike a general business corporation, is owned by a large number of similarly situated shareholders, who generally own an equal number of shares. Elections to the boards of Native corporations and voting on shareholder proposals are much more political and usually involve a much larger number of shareholders owning a much smaller, but more equal share of the company than in a normal corporation. Elections are much more like a municipal or county election than a shareholder vote.

The provisions in the corporate code are designed to provide protections for shareholders with different levels of ownership in the company. For example, minority shareholders are entitled to voice their concerns when the majority owners oppress the rights of the minority owners. Thus, in a normal corporation it would be reasonable to allow minority owners, the owners of as little as 10% of the outstanding shares, to petition for a special meeting before the majority owners waste or liquidate the assets of the company.

In contrast, a Native corporation is made up of usually a fairly large number of equally situated shareholders. There is no majority owner or owners to oppress a minority. Thus, it is not as crucial in a Native corporation to protect a minority owner's interest because there is no minority owner and therefore, it is reasonable to require a larger number, for example, the 25% proposed in this Bill, to ensure there is a consensus of at least a substantial minority of equally situated shareholders prior to the calling of a special meeting.

The most important problem that ASRC encountered in its recent experience with the calling of a special meeting by shareholder petition was the inaccurate and misleading statements made by the sponsors of the petition in order to solicit support for the petition and the resolution forwarded to the board by the petition. There was little or nothing ASRC could do to try to limit the misleading and inaccurate statements until the holding of the meeting itself. By the time of the meeting, many shareholders had voted to support the resolution of the sponsors by proxy, based on the misleading and inaccurate statements in and accompanying the petition drive. In fact, many shareholders complained after the meeting that they were intentionally misled by the sponsors and would not have voted by proxy as they did, if they were given accurate information.

House Bill 251 would go a long way towards remedying this problem by affording a mechanism for the corporation to review the statements and information circulated with a petition prior to the circulation and more importantly, would provide sanctions and penalties for the use of deliberately misleading and inaccurate information. This is probably the most important provision in the Bill from ASRC's standpoint, and is strongly supported by ASRC.

Because I do not want to use any more of the Committee's time than is necessary to convey the importance of the provisions in House Bill 251, I have submitted a more detailed analysis of the Bill and proposed changes to clarify ambiguities or weaknesses to the staff of Representative Moses, and hope that the Committee will consider them while reviewing the Bill.

Finally, I would like to comment as a Native corporation shareholder on the relationship between the stable and steady management of a Native corporation and the success of that Native corporation. As a shareholder of the Arctic Slope Regional Corporation, I know that our Board of directors and the management team appointed by the board has been very stable with very little turn over. In fact, several of our board members have been with the corporation since its founding after the passage of the Alaska Native Claims Settlement Act. This stability and steadiness in management is one of the most important reasons for the success in the business environment that ASRC has achieved.

Disruptions in the management and direction of a business enterprise are generally not good for a company, and I, as a shareholder, would support any measures that would help to minimize disruptions and keep a corporation on a steady course towards success.

I do not view the provisions of House Bill 251 as being a significant infringement on my rights as a Native corporation shareholder, but rather as a mechanism to ensure that I am provided with accurate, complete and truthful information when I am presented with a solicitation for my support of a shareholder petition. I would much rather make my decision based on accurate and truthful information than on misleading statements and half truths. At least then, I would be making a decision as a fully informed shareholder when deciding if the issue is important enough to require my corporation to endure the expenses and disruption that a special meeting and proxy fight could cause.

Again, thank the Committee for this opportunity to comment on this very important bill.

Rodney Pederson

Assistant House counsel
Arctic Slope Regional Corporation



Alaska State Legislature

Please enter into the record my testimony to the

House Labor & Commerce

committee name

committee on

HB 251

dated

3/27/95

bill/subject

MR. HUHNDORF'S STATEMENT REGARDING SUCCESSFUL CORPORATIONS HAVING MORE PROBLEMS WITH SHAREHOLDERS DOESN'T MENTION THE FACT THAT THE SHAREHOLDERS ARE LIVING IN URBAN AREAS AND THEREFORE BETTER EDUCATED IN CORPORATE AFFAIRS. FAX MACHINES, TELEPHONES AND COMPUTERS ARE MAKING IT EASIER FOR SHAREHOLDERS TO BECOME INVOLVED. BETTER COMMUNICATION MEANS WE ARE MORE INFORMED. SHAREHOLDERS ARE SENDING INFORMATION TO ONE ANOTHER. THIS WOULD NOT HAVE BEEN POSSIBLE SEVERAL YEARS AGO. MONEY IS JUST A POLITICAL TOOL. MR. HUHNDORF MENTIONS MONEY IS CAUSING THE PROBLEMS. THE SHAREHOLDERS ARE ANGRY BECAUSE THERE IS A LACK OF COMMUNICATION BETWEEN MANAGEMENT AND THE SHAREHOLDERS. THE CORPORATIONS ARE DOING WELL FINANCIALLY BUT THEY ARE NOT INFORMING THE PEOPLE BEFORE PASSING LAWS. ARE YOU AWARE THAT CIRI WANTS TO SPEND MORE ON THE CULTURAL CENTER THAN THEY WANT TO INVEST NOW MONEY FOR FUTURE DIVIDENDS. CIRI IS OFFERING THINGS SUCH AS DEATH BENEFITS. WHICH OF OUR VILLAGE CORPORATIONS ALREADY HAVE FOR US. MANY OF THE BENEFITS DO NOT ASSIST PEOPLE SUCH AS MY NINETY YEAR OLD GRANDMOTHER. SHE WILL NEVER USE A COLLEGE SCHOLARSHIP AND YET HER SHARE WOULD BE OFFERED TO OTHERS UNDER THE CORPORATE PROGRAM. SHE HAS HER DEATH MONEY IN THE BANK. SHE USED HER PERSONAL DIVIDEND CHECKS FOR THIS FUND. SHE DOES NOT NEED CIRI DEATH BENEFITS. SHE CAN THINK AND INVEST FOR HERSELF. THE ONLY FAIR WAY TO GIVE BENEFITS IS IN THE FORM OF DIVIDENDS. I AM NOT AT THE POVERTY LEVEL NOR ARE MANY OF MY FRIENDS WHO ARE AGAINST THE PRESENT LACK OF PARTICIPATION. COULD IT BE THAT MR. HUHNDORF IS USING THE MONEY ISSUE BECAUSE THERE ARE MANY PEOPLE WHO WANT HIM TO RESIGN? COULD MR. HUHNDORF BE AFRAID OF BEING RECALLED FROM THE BOARD? THERE ARE BOARD MEMBERS WHO THE SHAREHOLDERS WOULD REINSTATE IF THERE EVER ACTUALLY WAS A RECALL. WE DO NOT WANT HIS BROADCAST MONEY BUT IT IS A POLITICAL TOOL THE SAME AS MR. HUHNDORF USES. THE NOW ISSUE AS A POLITICAL TOOL. IT IS ALL POLITICS. WE WANT A BETTER WAY OF VOTING FOR OUR BOARD MEMBERS, HENCE A NEW PROXY. THERE IS TWO SIDES TO EVERY STORY. OFTEN A POLITICAL LEADER BECOMES SO POWERFUL HE FORGETS HIS ROOTS. ASKING CORPORATIONS FOR MONEY IS SOMETIMES USED AS A BARGAINING TOOL. NOT ALL DISSIDENT GROUPS ARE ASKING FOR RECALLS. CONCERNED SHAREHOLDERS FOR CIRI AND DOYON ARE ASKING FOR NOW AND NEW PROXIES. SEA LION CORPORATION HAS A WONDERFUL PROXY AND THERE ARE NO COMPLAINTS FROM THOSE PEOPLE. WE ARE USING SOME ISSUES TO GAIN OTHER ISSUES AND WE ARE SLOWLY MAKING CHANGES. TAKING AWAY OUR POWER TO INSTITUTE CHANGES IS UNFAIR. I WILL NOT USE THE PETITIONS I HAVE UNLESS WE FAIL TO MAKE CHANGES AT THE ANNUAL MEETING. A NEW PROXY MAY BE ALL IT TAKES TO CHANGE THE ATTITUDE OF THE SHAREHOLDERS. CONCERNED SHAREHOLDERS FOR CIRI SHOULD NOT BE MADE TO SUFFER BECAUSE OF RECALL GROUPS. WE ARE USING THE POWER YOU WISH TO TAKE AWAY FROM US FOR POSITIVE CHANGES. BOARD MEMBERS STATE THAT WE HAVE HELPED THEM REALIZE THINGS THAT WERE WRONG WITH CIRI. THERE ARE MORE THAN 10% OF THE PEOPLE THAT ARE UNHAPPY. ALMOST A THIRD OF THE PEOPLE SUPPORTED US IN NOVEMBER 1994. I CURRENTLY HAVE SUPPORT OF MORE THAN 10% AND MORE ARRIVE DAILY. I AM NOT OPENLY SOLICITING THE PETITIONS AT THIS TIME NOR DO WE ATTEMPT TO SOLICIT PROXIES BY SLANDERING CIRI. WE ARE PROUD OF OUR CORPORATION. WE JUST WANT SOME CHANGES. ALL RESPONSES TO OUR SURVEY ARE POSITIVE. PEOPLE WANT PARTICIPATION. PLEASE DO NOT PASS THIS BILL BASED ON RECALL GROUPS AS WE ARE NOT ALL RECALL GROUPS. THIS BILL ASKS 70,000 NATIVES TO BE SUPPRESSED SO A FEW DISSIDENT GROUPS CAN BE CONTROLLED. THESE PROBLEMS STARTED EIGHTEEN OR NINETEEN YEARS AGO. WE HAVE BEEN DISCUSSING THEM FOR YEARS. WE FINALLY TAKE ACTION AND THE LEGISLATORS MAY DECIDE TO SIT IT OUT FOR

ANOTHER 18 YEARS? THERE WAS NO NOL MONEY THEN AND TODAY THE MONEY IS JUST THE SURFACE OF THE NATIVE CORPORATION ISSUES. WE ARE ASKING TO REMOVE NO ONE FROM THE BOARD EXCEPT BY FAIR ELECTION. PLEASE LEAVE THE PRESENT LAWS ALONE. THE PEOPLE ARE UNTHING AND PASSING THIS BILL WILL SUPELY CAUSE AN UPRISING ALL OVER THE STATE OF ALASKA. WE ARE SOLVING OUR PROBLEMS WITH CIRI USING THE VERY TOOLS YOU WISH TO REMOVE FROM THE SHAREHOLDERS. I BELIEVE THERE WILL BE NO RECALL AND POSSIBLY CIRI SHAREHOLDERS WOULD NOT SUPPORT A RECALL. IT IS A USEFUL TOOL AT THIS TIME AND THE BOARD IS PAYING ATTENTION TO OUR NEEDS. THIS WOULD NEVER HAPPEN WITH HB251. IT WOULD BE IMPOSSIBLE. . I FEEL THE CURRENT PROBLEMS WITH CIRI ARE AND WILL BE

RESOLVED WITHOUT OUTSIDE INTERFERENCE. THE BOARD NEEDED A LITTLE PUSH IN THE RIGHT DIRECTION. YOU DO NOT KNOW THE END RESULTS. LET THIS BILL RIDE FOR A YEAR AND SEE WHAT HAPPENS. YOU MAY BE SURPRISED AT HOW WE CONDUCT OURSELVES. WE ARE EDUCATED AND CAPABLE. TRUST US TO MAKE OUR OWN DECISIONS. IT IS OUR CORPORATION DO NOT LET ONE MAN DECIDE FOR ALL NATIVES WHAT IS BEST FOR US.

Date. no to HB251

BOBBIE OSKOLKOFF
TESTIMONY HB251
MARCH 27, 1995

P.O. BOX 266
KENAI, ALASKA 99611
907-283-7748

Signed: *Bobbie Oskolkoff*
Testifier

Representing (Optional)

P.O. Box 266 Kenai, Alaska 99611
Address

907-283-7748 for name
Phone No.



• 4300 B Street, Suite 407, Anchorage, AK 99503

(907) 561-2668 - FAX (907) 562-52

FAX TRANSMITTAL

TO: Representative
Steve Roth DATE: 3/14/95
Cham House Labor
ATTN: Commerce Comm. FROM: H. L. Gray,
C.E.O.
FX #: 1-907-465-2879

NUMBER OF PAGES INCLUDING COVER SHEET: 5

MESSAGE: I want to take
this opportunity to
advise you that Koniag, Inc.,
fully supports the
intent and purpose
of H.B. 257. (Copy
attached).

Sincerely,
H. L. Gray
C.E.O.

Koniag, Inc.

IF YOU DID NOT RECEIVE ALL THE PAGES INDICATED ABOVE, PLEASE CALL (907) 561-2668 AS SOON AS POSSIBLE.

- C.C. Representative Allen Anstrom - 1-907-465-4756
- Representative Beverly Wash - 1-907-465-4822
- Representative Con Grande - 1-907-465-3871

SELDOVIA NATIVE ASSOCIATION, INC.

P.O. DRAWER L

SELDOVIA, ALASKA 99663
(907) 234-7625 • 234-7890

REC'D

APR 13 1995

ANS U.....

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.

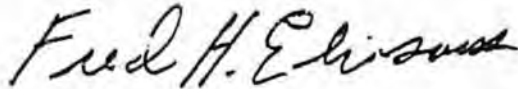
Passage of HB 251 is the same as slavery oppression to the ANCSA corporation shareholders. In this case (HB 251), the slave masters (corporation Managers) are requesting legislation to make it harder, if not impossible, for the captive slaves (shareholders) to participate in their own destiny.

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. Elvsaa".

Fred H. Elvsaa, President
Seldovia Native Association, Inc.

cc: All Legislators

Thursday, April 13, 1995

The Honorable Representative Pete Kott
State Capitol RM: 432
Juneau, AK 99801
Ph. (907) 465-3777
Fax (907) 465-2819

Ruth C. Schaeffer
7420 Tangle Court
Anchorage, AK 99504-3527
Ph. (907) 337-0559

Dear Representative Kott:

Thank you very much for authorizing those of us at the Red Dog Mine to sit in on the Teleconference yesterday, it was very helpful. However, we did not get to testify. We listened to them working on changing the bill from 3 p.m. to approximately 6:30 p.m. they took a break, the next thing we knew, they adjourned the meeting without allowing any of us to testify.

I contacted the LIO office in Kotzebue this morning. Mary Vivacious said that there is a possibility that there may be another day next week that they will hear testimonies also. If it would be possible, I will be on R&R in Anchorage. I would still like to be able to testify regarding different aspects of this bill.

I don't think that all of the House of Representatives realize exactly how hard it is to change anything in our corporations. The majority of the shareholders do not know what is going on, some don't care, some have been trying to make changes for many years without any success and have more or less just given up. A bill like HB 251 will only make matters worse for us.

To give a small example, I only have 217 shares with NANA Regional Corporation out of over 1,770,000 other shares. Unless I am able to meet with other shareholders and discuss my concerns, petition with other shareholders, we have absolutely no hope at all. Not only that, I do not even know who all the shareholders are, let alone where they live, nor do I have access to phone numbers. Many live out of state and vote by proxies, not knowing anything about what they are voting about. In order to get a hold of them, I would have to pay NANA Regional Corporation for a list of names and addresses for \$250.00 or more, then I would have to type all the names and addresses, stuff envelopes and pay for the postage which would be at least \$1,000. As a single parent, \$1,000 is a great amount of money to spend just to get a hold of other shareholders. That is not a large amount for NANA Corporation, so they have a great advantage. Not counting the employees that are paid by NANA Corporation that would do all the work typing their addresses, typing the material, stuffing all the envelopes, etc.

Running for the Board is a popularity contest more than a who is qualified to do business dealings, etc. We have the same board members that we have had 25 years ago.

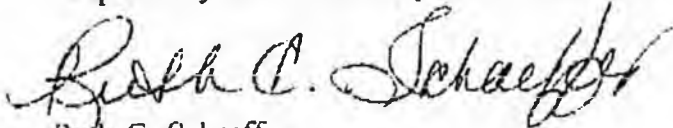
As you can see, that does not give me much of an impact when it comes to dealing with changes that may need to be made. I have been in constant contact with the representatives from our village (Kotzebue) but they are only 2 directors out of 23. They have a difficult time trying to make changes because everyone else votes against them.

Trying to get any type of information out of our own corporation is very hard even if we are part owners, and have a right to that information. We have requested many things, and received very little response from any of the Board Members. When talking to one of the Directors once, he said, "That is not my job. I am not paid to be a director!" then he more or less hung up.

Since the beginning of our corporation, I have only received 1 check a year at Christmas time for no more than \$250.00. This does not even pay for a turkey dinner with all the dressings! Besides that, exactly what has my corporation done for me except to spend all of the money given to them from the U.S. Government???? If I had my choice, and if it were possible, I would take all of my shares and the money with it out of NANA Regional Corporation and put it in with our Village Corporation, Kakiktagruk Inupiat Corporation. They have a very good board of directors that does the best it can to make money, and look out for the shareholders interests.

I am not saying that the House of Representatives should be able to change all that, but you could put a stop to HB 251 which will make it even harder to make necessary changes. The amendments to Section 1 are necessary to protect Native Shareholders from unscrupulous acts of corporate boards, but the amendments to Sections 2 through 7 of Article 10.06.480 leave us no choice but to ask for you to vote this bill down.

Respectively submitted for your consideration this 13th day of April 1995.



Ruth C. Schaeffer

Address at work:

Red Dog Mine #1357
P.O. Box 1189
Kotzebue, AK 99752

Ph. (907) 426 9206
Msg. 426-2170

(I work a 2 weeks on/1 week off schedule.)



RECEIVED

ALASKA STATE LEGISLATURE

APR 17 1995

HR 11.....

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE House Labor & Commerce
 COMMITTEE ON HB 251 COMMITTEE NAME
 DATED APRIL 12, 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 (ANCEA 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 DOYON," 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

Hugh Walker

HUGH WALKER

TESTIFIER

DOYON SHAREHOLDER
 REPRESENTING (OPTIONAL)

P.O. BOX 82365 FAIRBANKS, AK. 99708 / (907) 458-9558
 ADDRESS/PHONE NUMBER

TAKEN FROM HAROLD
~~FIXED~~ Rudolph

I oppose HB 251

I'm A SHAREHOLDER OF CIRC
ONE OF THE MANY OWNERS
WE AS OWNER OF CIRC
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 AMENDMENTS
TOGETHER LET THE CORP. LEADERS
LOOK AT IT, THEN
PUT IT TO A SHAREHOLDER
VOTE

Sharon Jay Hill shareholder

I have been listening to testimony
and the workshop committee records
I will feel that this bill no
matter how you look at it
further alienates a race of
people from what legally
belongs to them.

Picking state statutes to create
alienation 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 Labour & 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 nearly \$200 MILLION. ^{Not an ACCOUNTING} item as told to us. 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 MTG. 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 thru 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, SFCF

Representing (Optional)

205 E Diamond #326 Anch, AK 99515

Address

(907) 349-1546

Phone No.

4/12/95

House Bill 251

① a lack of communication - that is the current situation.

② ~~We~~ We should require all meetings be open to the management, board members, shareholders and the public.

③ Set up the ability of the shareholders and public to set up committees to bring forward suggestions and solutions on the problems they see.

④ No penalties should be placed on the shareholders for their rights to control their own funds.

⑤ 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, MN

Jim Carlson

4-12-95

#M 694-2091



Alaska State Legislature

Please enter into the record my testimony to the Carbon Commerce committee name

committee on HB 251 dated 2-12-95

bill/subject

I AM A FIRST SHAREHOLDER.
IN RECENT ATTEMPTS TO COMMUNICATE WITH
CIRI HAVE BEEN INTERFERED. I AM STILL
AGAINST THIS BIASED PROTECTION. IN PURSUIT
OF TRUTH WE ARE FILING EVERYTHING UNDER
BANKRUPTCY & SECURITIES. AS ONE IN QUESTION,
THAT MARCO KROLOFF SAYS NEEDS PROTECTION
I FEEL ITS A GROSS INJUSTICE TO ALL.

Signed: Gianna C. Healy
Testifier

Representing (Optional)
4509 PARSON AVE SPA A

Address
272 2095

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. Ostroloff
Testifier

Representing (Optional)

101 BUNNELL RD 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 EXORBITANT FEES AND SALARIES WITHOUT APPROVAL OF MAJORITY OF STOCKHOLDERS

Signed: Father Simson & 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 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 ~~was~~ ^{new} DROPPED / FELL whatever nearly \$200 MILLION ^{Not an ACCOUNTING item as told to us.} 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 MTS. CIRI didn't tell the SA how they were going to vote. Approx. 4 days after CIRI mailed theirs, SFCF mailed theirs. We were awaiting for a BALLOT thru 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-Calcott, AD HOC Chair
Representing (Optional) SFCF

275 E. Diamond # 326 Anch, AK 99515

Address

(907) 349-1576

Phone No.

4/12/95

Mark Kruloff ~~is~~ speaks for the C/O Board of Directors, which does not necessarily reflect the desires of the ^(11/1) shareholders.

- Mary Ann Mills
Without Prejudice WCC 1-207



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 Miller, I am speaking for myself although I express the feelings of many shareholders.

I am against HB #251 & against my Native Region spending money bringing 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 litigation, which is not provided in HB 251.

We would like to the Policy Makers aware that 70% of CIRI shareholders are on 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 over 560,000 people & not approved by over 59,500. Article 12, Sec. 12 of the Alaska State Constitution states the State & its People forever disclaims... to any property, including mining & fishing rights title which may be held by or for any Indian, Eskimo or Aleut, or community thereof. ... in case the State of AK, now PL 100-606

Signed: Mary Ann Miller, without Prejudice 4/22/95
Testifier

Sole Affiliated with (Ancient) Shareholders in CIRI +
Representing (Optional) Board Council Member of Traditional
Denial and Trust

Address P.O. Box 143 Sterling AK. 99672

Phone No. 907 262-5403

(over)

Mark Kruloff ~~is~~ speaks for the CIRI Board of
Directors, which does not necessarily reflect the
desires of the ^{CIRI} Shareholders.

- Mary Ann Mills
Without Prejudice 1122 1-207

Representative KOTT
House Bill 251

In Regard to House Bill 251, I am
against all issues it contains,
the shareholder of the corporations
were the head court for the federal
government.

To Establish the amount of Land and
money to be used to Form Corporations
to operate for Dividends to share holders,
and that the shareholders should have
all Rights to make the Corporations work
for them.

House Bill 251 Represents the Corporations
Taking Rights from the shareholders.
We appreciate any and all help to
oppose Bill 251 from Being Passed

Regards shareholders
Allen A. Deitz — Amarillo, Texas
Raymond L. Deitz — Port Angalia, WA.
Jack Deitz — Barnhart, Texas



Alaska State Legislature

Please enter into the record my testimony to the House Labor and Commerce
committee name
committee on HB 251, dated 4-12-95

bill/subject

Anesa and this process is crass manipulation ^{to} undermine the Human, Civil and Political Rights of Indigenous People of Alaska Native Ancestry. The self ~~elected~~ 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 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. The is equity law vs. common law. My freedom of speech is untenable. This country is shaking because of this manipulation of our Human Rights.

Signed: Ronald J. Barnes UCC 1-207 without prejudice

Placed by Political Testifier BBAC Shareholder
designation to be a

Representing (Optional)

Address

Phone No.

This bill is false and misleading. The Board of Directors are trying to make themselves invulnerable. You legislatures and board of directors are only forcing us to other forms of governance.

Unit Sovereignty

This testimony allows no procedural right of the State of Alaska or the Native Peoples - Board of Directors.

Ronald J. Barnes
UCC 1-207 Without Prejudice

Our Human Rights are NON-NEGOTIABLE
Mark Speaks for only ~~the~~ Board of Directors
Kroloff 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

907 283-7028

Connie & Margaret Hirt
called Wednesday 11:00 a.m.
in opposition to HB 251

"Please don't pass this. Water Corporations
already have enough autonomy and power
that stakeholders will have no means to
check & balance if this bill goes through."



One Sealaska Plaza
Suite 400
Juneau, Alaska 99801-1276
(907) 586-1512
FAX (907) 586-9214

March 24, 1995

Honorable Pete Kott
State House of Representatives
Room 409 State Capitol
Juneau, Alaska 99801-1182

Re: House Bill No. 251 "An Act Relating to Native Corporations"


Dear Representative Kott:

House Bill No. 251 "An Act Relating to Native Corporations" is soon to be heard before your committee on Labor and Commerce. This legislation advances improvements to the State Corporate Code focused upon undertakings related to special meetings and shareholder proposals. Changes advanced by the bill will allow for fairness and certainty in the process of promoting issues related to a special meeting, establishing the threshold of interest by shareholders in order to hold a special meeting and stability to corporations as each faces issues, in some cases on a repeated basis, over time.

As a general matter, Sealaska Corporation supports House Bill No. 251 and urges your enactment of these amendments to the State Corporate Code into law this session.

Sincerely,

SEALASKA CORPORATION


Robert W. Loescher
Executive Vice President
Resource Management

cc: Leo Barlow
Roy Huhndorf
Southeast Legislators
SEPA

10,000,000) imposing some kind of hidden-agenda type of castigation which increases the fraction (from one-tenth to one-quarter) of shareholders required for calling a special meeting of a Native corporation by shareholders. Special meetings called for by shareholders, must be paid for by shareowners, and the cost and process is already hard. In view of how the Alaska Native Claims Settlement Act broke up the Indian people that did not receive land to exist in common bond with the Native way of life, it has been quite a burden to Indian people to get Indian people together to make such changes as the ones they desire. There is so many of us, and it costs to get the 15,770 in Sealaska Corporation together for decisions, they have not afforded to us a process for such things.

Why is Sealaska, who was responsible for developing the legal language of this bill, just interested in increasing the cost to the Native shareholder, and in making a process that serves to be far too cumbersome to Indians, *instead of devising a truly positive, middle path to make change for both of the sides involved?* I took some time to think about amounts of money already costing Native shareholders for change, as the law stands for the Native people today. Here are the approximate figures it takes for the Indians to try and change something for themselves, with the present one-tenth requirement:

**A - Petition Costs To Native Shareholders - 1ST REQUIRED PHASE in a Movement For Change
The One-Tenth Requirement, As the Law Stands for Them Today**

1.	1,577 x .52 postage stamps =	\$504.64	To Mail Items
2.	1,577 envelopes \$1.50 per box of 100 =	25.66	Envelopes
3.	1,577 two-sided petition copies (.05 per one side) -	157.70	To Copy Materials
		\$686.00+	Min. Petition Costs

**B - Proxy Solicitation Costs To Native Shareholders Wanting Change
2ND REQUIRED PHASE in a Movement For Change As the Law Stands for Them Today**

1.	15,770 x .52 postage stamps =	\$5,046.40	To Mail Proxies
2.	15,770 envelopes \$1.50 per box of 100	\$ 236.55	Envelopes
3.	15,770 two-sided proxies (.05 per one side)	\$1,577.00	To Copy Materials
		\$6,859.95	

\$7545.95 Minimum Costs For A & B.

The shareholders, as the law stands now, must bear the proxy costs. There are usually expensive candidate fees and attorney fees, amounts for these are not listed here. Approximately \$2,000.00-\$5,000.00. Realistically, a minority group of Native shareholders are looking at a minimum of \$10,000.00-\$15,000.00 to make change, of any kind (no matter how small or great) for themselves as the law stands for them now. This bill seems only to make things harder for shareholders, in spite of the fact that they are still the people with the lowest income in this state.

I noticed that the bill addresses increasing the amount of shareholders it takes to petition, which is now a 1,577 head count of the 15,770 Sealaska stock owners, to 25% of the amount of shares cast at the last election. The last election at Sealaska Corporation, according to their own November 1994 newsletter, was 4,570,939 shares voted. 25% of this is 1,092,834.7 shares. We had a slate of five present board members - so that gave us five times our 100 shares to vote with or 500 shares. When you divide the 1,092,834.7 shares by 500 to get an approximate head count it will take to petition if their legislation passes, it should amount to 2,186 shareholders required to petition. This only serves to increase amounts of money stock owners must come up with to petition. Why aren't the thousands of Alaskan Indians that this legislation will affect being consulted with (there is over 75,000 Alaskan Indians)? And this is a decision that will affect them for years to come.

Section 10.06.96(a) establishes requirements for requests for special shareholder meetings of Native corporations, including giving notice to the corporation (including a copy of the request and of the substitution materials), filing the request with the signatures of the requisite number of supporting shareholders, and setting a deadline for filing the signatures. It also invalidates the request if it does not comply with the subsection and with the state securities act section that prohibits misleading statements, along with some very extreme penalties upon Indian people such as Section 5, AS 45.05.020(b) amended to read "(b) imposing a civil penalty of not more than \$2,500 for a single violation, or not more than \$25,000 for multiple violations, in a single proceeding or series of related proceedings."

Section 10.06.96(n) removes certain Native corporations from the application of the corporation code section that addresses the removal of directors without cause. Why is the Native corporation singling out Native people? Why are we not allowed to have the same state already tough Bankings & Securities rules and regulating that all other for-profit corporations are subject to? Why is Sealaska Corporation going to be allowed to answer to no Indian people anymore, the Indian people who in fact own the corporation, just allowed to listen only to their closely-held board? Why is such an austere, severe and forbidding relationship about to emerge between Sealaska Corporation's twisted political climate; the thousands of Alaskan Native Indians; and all Native corporations? This bill is ludicrous in regards to false, fabricated misrepresentation of the Native Indian people and their needs, a minority group just like the Negroes or any other minority group of ethnic people. To think that precious Native settlement dollars were spent on such a thing is absolute distress to the Indian people. Why can't they spend our precious settlement dollars making things easier for some of the elders, so that they have better access to their Indian way of life as old people? Why can't they spend our money and energies giving us our Indian land, the parts of Indian land they don't want to make money off of and sell to the public, instead of allowing us to use for Indian traditional use? Our settlement dollars are going into a river, never to truly benefit even one of us.

Section 4 gives very cumbersome deadlines and processes for Indian people, and Section 5 is giving too much power to an already un-hearing Native corporation, as there are long standing disagreements between the body of Native shareholders and the corporate grid-lock that exists amongst the leaders perpetuating themselves in Sealaska corporate offices.

Section 6 has more penalties for Indian people of money amounts in the range of \$5,000, or imprisonment of not less than one year, nor more than five years, or both. Then the words "conviction; felony; imprisonment" are used in relation to the Indian people they claim to represent. I have a question regarding the next sentence in Section 6, "How does an individual prove they had no knowledge of a pre-existing regulation or order?" The bill continues to use extreme penalties in their terminology, such as "indictment" and "violation." This should be a "CRIME BILL" and not an INDIAN bill.

I believe that you should seriously consider the harshness of these acts against an Indian people, as one would think of the Negroes, Hispanics, or any other minority group. These are extremely harsh blows for a destitute people, and by all standards I thought this bill was a very low and ignorant opinion of Indian people and cruel by even Sealaska's usual harsh standards towards the Indian people they claim to represent. I am asking you to throw this bill out, and require that Sealaska continue to answer to the body of Indian people that they claim to represent. This bill is a gross misrepresentation of an Indian race of people, and I intend to fight its harsh overkill and severe impact on the Indian body of people as a minority group with everything that I have. Please, do not support this legislation and the detrimental effect that it will have on Indian people.

Please give me a call at 467-7551 days Tues.-Fri. 8-4:30, or write me at: Box 34711; Juneau, AK 99805-4711. I appreciate your serious attention to this matter.



Sincerely,

Joan Mantei

Joan Mantei, Athabascan-Tsimshian Indian
Sealaska Corporation Shareholder 3/26/95

I believe this bill is a
war on Indian people.

ATTENTION: *PETE KOTT*
 MARCH 25, 1996

FROM: Robbie (Robert) Ostroff
 P.O. Box 266
 Kenai, Alaska 99611-0266
 Phone-Fax 907 283-7748

Dear *MR. KOTT*;

I urge you to carefully read HB251 concerning "An Act relating to Native Corporations." This Bill is designed to eliminate the few remaining rights of Native Shareholders. The Board of Directors have recourse to write and change By-laws that remove most of our rights (and have already exercised this power repeatedly). Shareholders, Village Corporations, Board Members and other entities were not notified of this Bill. I spoke to a number of the CTRI Board members. They either did not know about the Bill or were told only part of its context. None had a copy of the Bill. How can our Corporate leader have a Bill introduced with out full consent of the Bills contents? This Bill affects other Corporations besides CTRI. I faxed the Bill to Tvenek, Nijichik and Seidevia. They were not previously informed of the Bill. This Bill does not affect only CTRI Shareholders, it affects the approximately 70,000 Natives in the State of Alaska. A Bill introduced by a Corporate leader to protect himself from a possible Recall is unfair. I do not personally believe in Recalls unless there is no other possible alternative, but HB251 is against any Resolution a Shareholder may wish to bring before the Board. A Bill of this magnitude should not be introduced until everyone concerned is informed. The following is an attempt to explain how the Shareholders rights are taken away.

Sec. 2 AS1006.960 states, only the chair of the board, the president, the shareholders of not less than one-quarter of all the shares entitled to vote may call a meeting. If the Board is guilty of any wrong doing, Shareholders will have no alternative way to control the Board. This Bill was introduced to prevent Recall groups. A situation could exist whereas it may be necessary to Recall a Board. A Board should always realize they must conduct themselves properly or a possibility of a Recall exists. A Recall possibility is an insurance for the Shareholders.

The 25% percent of the shareholders is impossible to obtain on a petition. Native Shareholders are reluctant to sign petitions but they will readily sign a proxy. Obtaining 1/4 of the Shareholders signatures is difficult since we are transient people with hundred of address changes every three months. Many of our people are in Advocacy care, old age homes, street people, non-voting shares and other related problems. The majority of the vote at a meeting was only 2,100. There are approximately 6,700 Shareholders in CTRI. Is the State requirement for signatures 10%, and if so this would be discrimination. If a resolution fails due to a small legal technicality, it would be difficult to obtain 25% of the signatures for a petition. CTRI itself would not be able to secure that many signatures. Our current By-laws state 10% of the voters and that is difficult to procure on a petition.

Asking Shareholders to file a request with the Corporation for notice of a meeting and/or petition is unfair. We file with the State of Alaska and the filing is available to the Corporation. The Corporations use our money to hire attorneys to fight any

to the Corporation. The Corporation use our money to pay attorneys to fight and move the people make. Using the Corporation law edge in court. The Corporation does not inform the Shareholders of what they are doing (CIRI has law, whereas they do not have to inform the Board or what they doing in every matters). Before allowing this Bill to pass, a person needs to read ANSCA, in this case CIRI Articles of Incorporation and CIRI By laws. Shareholders are 70% at or below the poverty level. They cannot afford attorneys to read the materials. Usually small groups of friends meet together and ask, "What can I do to make a change?" Someone donates a few dollars. Someone else writes a letter and/or calls their relatives to see if they support the issue. Slowly they raise several hundred dollars. Filing with CIRI before forming a plan is unfair. Shareholders do not know which materials they will use. They write materials as they learn and as the Corporation mails out materials. HB251 requires Shareholders to give CIRI all articles they will use before they start the campaign. That would be impracticable in any campaign. You make changes when necessary and file them with the State. Corporations modify their materials as the occasion arises and so should Shareholders be allowed this right. They acquire a mailing list (CIRI charges Shareholders \$60.00 for the list) and file with the state of Alaska. They mail as many letters as they have stamps (our Shareholders reside in almost every State and all parts of Alaska) and wait for donations. The donations arrive with a dollar or one stamp. Some days one hundred dollars or three hundred stamps arrive. During this process the Corporation may be using our (Shareholders) money to compose letters against the resolution. Slowly over three or four months enough money comes in to mail out the entire petition. The entire process is repetitive for the proxy except the Shareholders have done a solicitation for money before filing the signatures. CIRI allowed the last group only twenty days to solicit proxies. The Corporation knows what the Shareholders are doing as there is usually correspondence between both factions. The process takes at least six months. Taking away our rights to conduct a campaign is not fair. There is no possible way a Shareholder could administer any campaign from start to finish in 90 days and that is what HB251 asks for. Currently we are doing a campaign to change the current proxy form and end discretionary voting. If we introduce a resolution and we have a grammatical error, under HB251 we could not bring this before the Shareholders for two years (even if the majority of the Shareholders are in favor). All Resolutions with CIRI are advisory to the Board. There should not be laws to restrict and/or stop Shareholders from advising the Board. This right for Maximum Participation Without Litigation was given to us under ANSCA. We are also allowed equality under the Equal Prominence Law.

The Bill states that if a Resolution is introduced, it can not be conversant for two years. Nov. 17, 1995, a resolution was introduced at a Special CIRI Meeting. The Shareholders had the majority of the vote. The group had some type of legal technicality with the resolution. CIRI with their legal advisors (paid for with our Shareholders money) tossed out the rights of the Shareholders votes. The Shareholders did not have an attorney due to lack of funds. This resolution was only advisory to the Board. Under HB251, this resolution could not be re-introduced for two years. This is unfair.

This Bill allows for fines, jail sentences and felony convictions of Shareholders. I know of no group or Shareholder who would willfully make a false and/or misleading statement. Corporations have intimidated the people for years with fear of reprisal. This Bill will take away our ability to speak for ourselves for fear of a fine and/or jail. Native people are learning to speak out. They are a quiet people. The

please thank to the Natives of Alaska I urge you to vote no to HB251. This Bill was introduced without the consent or knowledge of the Alaska Natives. We are the majority, not the Native Corporate leaders. CIRI has a top paid lobbyist in Juneau and has been sending people to Juneau over this Bill (Shareholders cannot afford this type of lobbying). They are using our (Shareholders) money to go behind our backs to pass HB251. Please help the Natives of Alaska stop this Bill affecting not only CIRI Shareholders but all Natives of Alaska. Call for further information at 907-283-7748

Bonnie Oskolkoff
 Concerned Shareholder For CIRI

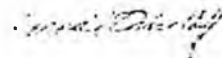
*Please respond in writing.
 Thank you. Please call if
 you have further questions!*

Dear Mr. Frost,

I am surprised a Native Alaskan (Alaska) would think of introducing a Bill against his own people. This is a discriminatory Bill against the Alaska Natives. The State Law 10.06.390 and 10.06.405, states governing all Corporations and Shareholders requires 10% of the signatures on petitions. HB251 requires 25% of Shareholder signatures for Native Corporations. See Section 12C of ANISCA for laws concerning this. Why should Alaska Natives be governed by different laws than the rest of the populace? Is there a statute of limitations on the amount of time other petitions have to file a petition? Native Corporations cannot go door to door to solicit proxies as Shareholders live in virtually all Alaskan villages and most of the Continous 48 states. A petition and a proxy solicitation by mail is costly and time consuming. Ninety days is not sufficient.

The entire Bill is unfair

Arnold Oskoikoff



P.O. box 106

Kenai, Alaska 99511-0106

907-283-7748

CIRI Shareholder

ATTENTION: Please read
Concerning: Alaska Native Corporations

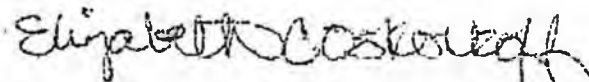
From:

Elizabeth Catherine Oskolkoff
Calista Corporation/Sea Lion Corporation
P.O. Box 266
Kenai, Alaska

Dear Mr. Kott:

This is an unfair Bill. How could you introduce HB251? It is discrimination. State Corporate Law only requires 10% of the signatures. See Section C of ANSCA. The Alaska Native people were not informed of this Bill. No Bill should be introduced without the knowledge of the people it concerns. Did you hope to slip this Bill by while the media concentrated on the Welfare issues?

Elizabeth Oskolkoff



1

TO: STATE OF ALASKA LEGISLATURE

FROM: JEAN SZTUK, ^{JS} STATE OF ALASKA CITIZEN
5811 CHURCHILL WAY
JUNEAU, ALASKA 99801
(907) 780-4219

DATE: MARCH 27, 1995

I AM EXTREMELY CONCERNED ABOUT HOUSE BILL #251. IT IS SAID THAT "HISTORY REPEATS ITSELF." THIS HOUSE BILL IS ANOTHER CASE IN POINT. EVERY TREATY EVER MADE BETWEEN THE WHITE PEOPLE AND THE NATIVES HAS BEEN BROKEN FOR HUNDREDS OF YEARS, WITHOUT EXCEPTION.

I STRONGLY FEEL THAT HOUSE BILL #251 IS A JUST ANOTHER UNDERHANDED, SHAMEFUL, AND EMBARRASSING WAY OF TRYING TO SILENCE AND RESTRAIN THE NATIVE PEOPLE.

THIS BILL WILL STIFLE THE ONLY VOTE NATIVES HAVE TODAY ON HOW THEIR CORPORATIONS ARE OPERATED. WHO WILL BE LEFT TO MAKE IMPORTANT DECISIONS IF THEIR CORPORATE BOARDS ARE OUT OF CONTROL AND WHO WILL BE ABLE TO STOP THEM? IF THE NATIVES' RIGHTS ARE TAKEN AWAY, HOW CAN THEY GAIN CONTROL OF AN OUT-OF-CONTROL CORPORATION? THESE CORPORATIONS WERE CREATED FOR ALL NATIVE PEOPLE AND NOT JUST A SELECT FEW. WHY ARE NATIVES' RIGHTS ALWAYS IN JEOPARDY? DO YOU KNOW BETTER THAN THE MAJORITY OF NATIVES WHAT IS BEST FOR THEM? WHY WOULD YOU SUPPORT SUCH A BILL?

I URGE YOU TO VOTE "NO" ON HOUSE BILL #251 TO SHOW YOUR SUPPORT AND DEDICATION TO THE FREE VOICE OF ALASKA'S NATIVE PEOPLE.

THANK YOU IN ADVANCE FOR VOTING "NO" TO DEFEAT THIS HIGHLY UNFAIR BILL.

MARCH 27, 1945

Prepared Testimony
of
Mark W. Kroloff, Vice President & General Counsel
of
Cook Inlet Region, Inc.

My name is Mark Kroloff. I am Vice President and General Counsel of Cook Inlet Region, Inc. ("CIRI"). I appreciate the opportunity to appear before you today in support of House Bill No. 251, an Act relating to Native Corporations.

Introduction

CIRI is one of the twelve regional corporations established by Congress under the terms of the Alaska Native Settlement Claims Act of 1971 ("ANCSA") and, pursuant to Congress' direction, chartered as an Alaska corporation. CIRI is owned by approximately 6,700 Native shareholders of predominantly Athabascan, Eskimo and Aleut descent. The principal lines of business of CIRI and its subsidiaries are natural resource development, real estate, oil field and industrial services, and communications.

Over the course of the last several years, CIRI and a number of other Native corporations have been the subject of increasingly misleading and disruptive proxy campaigns. Just a few months ago, for instance, CIRI was required to undertake the substantial expense and disruption of a special meeting of shareholders to vote upon resolutions that were purely advisory in nature. The petition campaign that led to the call of the meeting was carried on by a small group over many months and relied upon numerous false and misleading statements. Though the proposals advanced by the group failed, the special meeting was expensive and disruptive. Following the special meeting the Division of Banking, Securities and Corporation formally censured the group for its use of false and misleading statements in its proxy materials, but current law did not provide an adequate remedy for the false and misleading statements that initially led some CIRI shareholders to support the call for the special meeting.

No one questions the fundamental right of shareholders to seek corporate change, but these recent campaigns have demonstrated that modest legislative reforms are required to protect Native corporations and their shareholders from fraudulent and abusive practices, and to make the law governing large Native companies consistent with the provisions of ANCSA. As discussed in further detail below, House Bill No. 215 would address this need through several provisions:

(i) conforming the Alaska Corporations Code to ANCSA by increasing from one-tenth to one-quarter the number of outstanding shares required to call a special meeting of shareholders;

(ii) applying to requests and petitions for special shareholder meetings the same filing, information and antifraud provisions applicable to proxy statements and other proxy soliciting materials;

(iii) requiring that copies of requests and petitions for special shareholder meetings be provided to the Alaska securities administrator and the affected Native corporation prior to the circulation of such materials;

(iv) limiting circulation of requests and petitions for special shareholder meetings to a ninety-day period;

(v) providing that directors of Native corporations elected to classified terms shall not be subject to recall without cause;

(vi) specifying that Native corporations need not resubmit to shareholder vote matters that have already been addressed by the shareholders within the preceding two years;

(vii) directing the securities administrator of the State of Alaska to take action to enforce the revised filing and antifraud provisions of the Alaska Securities Act and Alaska Corporations Code; and.

(vii) granting to Native corporations and their shareholders the right to bring a civil action in superior court for injunctive relief and damages against persons who violate the filing or antifraud requirements of Alaska law in connection with an annual or special meeting of shareholders of a Native corporation.

The foregoing provisions of House Bill No. 251, which would conform various provisions of the Alaska Corporations Code to the provisions of ANCSA and ensure that the antifraud provisions of the Alaska Securities Act of 1959 apply to organized proxy solicitation campaigns relating to both regular and special meetings of Alaska Native corporations, appropriately address the need to protect Native corporation shareholders from misleading proxy campaigns without in any way abridging legitimate shareholder rights.

Section by Section Analysis

**Proposed Paragraph AS 10.06.960(1) -- Required Call for
Special Meetings**

In addition to the annual meeting of shareholders, the Alaska Corporations Code currently requires Native corporations to call a special meeting of shareholders upon the request of the holders of a mere 10 percent of the corporation's outstanding shares. Recognizing the expense and disruption imposed upon Native corporations by the requirement that special shareholder meetings and votes be held in response to shareholder petitions, ANCSA provides, in contrast, that such meetings and votes need be scheduled only in response to the request of a substantial minority -- the holders of at least one-quarter of the outstanding shares entitled to vote.¹ Thus ANCSA ensures that corporations need put to a shareholder vote only those proposals that enjoy significant demonstrated support.

Proposed paragraph AS 10.06.960(1), which would conform state law to the ANCSA provision, recognizes the unique situation and needs of Native corporations and would ensure that the limited management and financial resources of Native corporations

¹ANCSA provides that holders representing at least one-quarter of the total voting power of a Native corporation may petition the board of directors to submit to a vote of shareholders proposed amendments to the articles of incorporation relating to the issuance of additional stock or relating to the termination of the alienability restrictions imposed by ANCSA. 43 U.S.C. §1629(c).

are not diminished by the need to address shareholder petitions advanced by only a small minority of shareholders.

Proposed Paragraph AS 10.06.960(m) -- Special Meeting
Petitions

Current law does not clearly regulate the circulation of petitions requesting a special meeting of shareholders of Native corporations. As a consequence, such petition campaigns are now sometimes conducted for extended periods in reliance upon fraudulent or misleading promotional materials. The Division of Building, Securities, and Corporations has informally expressed the view that it is uncertain as to its jurisdiction to regulate such materials. Given the absence of any clear filing requirement, such campaigns can even be conducted without the knowledge of the affected corporation, leaving the corporation without any opportunity to correct misstatements or ensure that shareholders have accurate information in deciding whether or not to support the petition campaign.

Enactment of proposed paragraph AS 10.06.960(m) would clarify that the antifraud provisions of the Alaska Securities Act of 1959 apply to petitions and other materials circulated in connection with requests for special meetings of shareholders, would require the filing of such materials with the affected Native corporation and with the Alaska securities administrator, and would set forth a ninety-day time period for the collection

of signatures. Taken together, these provisions would ensure that petitions and other materials relating to a call for a special meeting will be fair and informative, that the corporation will have access to such materials and an opportunity to respond, and that such solicitation campaigns will not extend indefinitely.

Proposed Paragraph AS 10.06.960(n) -- Limitation on Recall of Directors without Cause

Pursuant to Section 10.06.455 of the Alaska Corporations Code, a board of directors may be classified into a maximum of three classes with the terms of directors staggered so that either one-half (in the case of two classes) or one-third (in the case of three classes) of the directors are elected at each annual meeting of the shareholders of the corporation. Since only one-half or one-third of the directors, as applicable, stand for election at each annual meeting, the corporation and its shareholders are assured of significant continuity in the management of the corporation. The protection against sudden change provided by classification of the board is particularly important in the case of Native corporations because shareholders of Native corporations, unlike shareholders of other corporations, cannot sell their shares if they lose confidence in management.

The protections provided by classification of the board are undermined, however, by the provisions of Section 10.06.460 of the Alaska Corporations Code, which permit shareholders to effect the removal of the entire board of directors without cause. Recognizing that such provisions circumvent the protections afforded to shareholders by classification of the board, the State of Delaware, a leading jurisdiction in the area of corporate law, has amended its corporations code to provide that in the case of a classified board, directors may only be removed for cause.² This legislation would accomplish the same objective.

In light of the inalienable nature of the shares held by the shareholders of Native corporations, special protections must be afforded against precipitous changes in management. Proposed paragraph AS 10.06.960(m) will not entrench the board or prevent the election of new directors each year, because by statutory mandate one-third or one-half of the board will be required to stand for election each year. It will, however, ensure that the protections against sudden, wholesale changes in management afforded by adoption of a staggered board pursuant to A.S. 10.06.455 is not vitiated by the removal without cause of a Native corporation's entire board of directors.

² Section 141(k) of the Delaware General Corporation Law provides, in part, that "[a]ny director . . . may be removed, with or without cause, . . . except . . . in the case of a corporation whose board is classified . . . shareholders may effect such removal only for cause"

Proposed Paragraph AS 10.06.960(o) -- Repetitive
Proposals

In enacting ANCSA, Congress balanced the shareholders' right to petition for change against the potential distraction and expense of repeated proxy fights and concluded that even the most fundamental issue affecting the shareholders of Native corporations -- whether or not to terminate the alienability restrictions applicable to the shares of such corporation's stock -- need only be addressed once every two years.' Proposed paragraph AS 10.06.960(o) will conform state law to the ANCSA provision by providing that a shareholder proposal need not be submitted for consideration by the shareholders of a Native corporation if a proposal on a substantially similar matter was voted upon within the preceding two years. This provision will ensure that the limited financial and management resources of Native corporations are not wasted upon repeated consideration of matters already recently addressed by the shareholders.

Proposed Paragraphs AS 45.55.920(a), AS 45.55.933 and
AS 45.55.920(14) & (15) -- Enforcement

The Securities Act of 1959, like Federal law, provides that it is unlawful for any person in any proxy, registration statement or other document filed with the securities

ANCSA provides that Native corporations need not consider shareholder proposals to terminate the alienability restrictions applicable to shares of a Native Corporation more than once every two years. 43 U.S.C. §1629c.

administrator to make or cause to be made an untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading. AS 45.555.160. These provisions will ensure that the same standard of candor and truthfulness applies both to statements made in proxy statements and proxies and to statements made in petitions or requests for special meetings of shareholders. In addition, this proposal would authorize and direct the Alaska securities administrator to prevent the use and distribution of misleading disclosures and permit private parties to seek redress for such violations.

Given the cultural and financial significance of the Native Corporations to their shareholders, and the inalienable nature of their shares, it is imperative that debate concerning the direction and management of such corporations be conducted in an informed atmosphere free of distortion and misstatement. Application of the Securities Act of 1959's disclosure standard to requests and petitions for special meetings, together with a strengthened enforcement mechanism, will ensure that shareholders are presented with reliable information in deciding whether to call for a special meeting or to put a matter to a vote of the shareholders.

Conclusion

Native corporations are special entities with a unique status and responsibility. Nothing is more important than that such corporations respond to and serve the needs of their shareholders. Adoption of this legislation will address abuses that threaten the future of the Native corporations and will help ensure that future differences over policy and direction are debated fairly and resolved by shareholders fully informed regarding all relevant considerations.

ARCTIC SLOPE REGIONAL CORPORATION
301 Arctic Slope Avenue
Anchorage, Alaska 99518
(907) 348-2369

March 24, 1995

Tim Benetendi
Rep. Moses
VIA FAX 465-3445

Re: House Bill 251

Dear Mr. Benetendi:

This letter will serve to explain the changes that Arctic Slope Regional Corporation is proposing to HB 251. Overall, ASRC supports the Bill, however there are some minor changes that we would like to see made to the Bill, mostly to clarify the intent and to remove possible ambiguities and problems down the road. I will address the changes we are proposing section by section and am attaching a copy of the Bill on which I have hand-written the changes we would like to see.

Sec. 1- We would like to see this section deleted. It seems to attempt to create director liability for voting for a distribution in violation of an improperly called special meeting. If the other provisions of the bill are complied with, this should never occur. Maybe I just do not understand the intent of this provision. I did talk with Mark Kroloff of CIRI and he informed me that this would be deleted from the bill anyway, and ASRC would support the deletion.

Sec.2- This would be renumbered as Sec 1 We would like to amend subsection (l) by either numbering or lettering the five procedures for the calling of special meetings. This would make it much easier to make the clarifications we would like to see to the remaining sections. For example, Subsection (m) below, should only apply to petitions for special meetings or other requests and not to meetings called by the board, the president or the chairman. Further, we would like to clarify that (iv) would be a petition by the holders of one quarter of the shares rather than just the one quarter. This would ensure that a petition and the filing requirements in subsection (m) are required to call a meeting.

Mr. Tim Benetendi
March 24, 1995
Page 2

We would like to amend subsection (m) to clarify that it only applies to petitions by one quarter of the shares or to other persons, (iv) and (v) above. Further, we would like to add the sponsor or solicitor of the petition or request to the information which must be disclosed and filed with the corporation. It may seem that the information required would disclose this, but we want it very clear that the sponsor must be disclosed.

Subsection (o) should be made consistent with the above sections by adding "or other request" to a shareholder proposal. Further, we would like to add "notwithstanding compliance with subsection (m) to make clear that repeated requests for the same proposals are prohibited even if the requirements are met.

Sec.2 We propose to add a new section 2 which would add a new subsection to the definitions in 10.06.990. We would like to add "sponsor or solicitor of a petition or request" to the defined terms because of its importance to several of the amendments we are proposing, and because these are the persons whom this entire bill is intended to affect. We would like to see this limited to the petitioners under 10.06.960 (l) (iv) and (v).

Sec.3 We would like to add language to subsection(b) to make it clear that the penalties would apply to the sponsor of the petition and only the sponsor with respect to violations of 10.06.960 (m). The way it is tacked on in the bill does not make it clear that it applies to petitioners, although they would certainly be covered by "other person". This could be interpreted to apply to anyone who signs the petition and not just the sponsor. The language that we propose to add makes it very clear who the penalty would apply to and that it does in fact apply to sponsors.

Sec. 4 We support this section as written.

Sec. 5 We would like this section clarified that it applies to any and all proxies obtained in violation of the listed statutes.

Sec. 6 We support this section as written.

Sec. 7 We would like to amend this section to clarify that we would like the right to pursue court action to void proxies improperly obtained and to enjoin further violations, however, we would not support seeking monetary damages from a shareholder. We believe the intent of the bill is to deter violations and to afford a

Mr. Tim Benetendi
March 24, 1995
Page 3

mechanism to stop violations which do occur, not to create a right to sue for monetary damages from shareholders. Further, we do not want to support the creation of an additional right for the shareholder to sue the corporation for a violation of AS 45.55.139 by the corporation. This is why we would like to see the provisions for shareholder suits deleted from this section. ASRC nor any Native corporation would ever intentionally violate AS 45.55.139, and this would give a shareholder the right to sue even for inadvertent violations.

Sec. 8 Here also we would like to add a definition for a "sponsor or solicitor of a petition or request" by reference to the definition we propose to add to section 10.06.990.

I sincerely hope that you and Representative Moses will give careful and serious consideration to our proposed changes to your Bill. We have carefully reviewed and dissected the bill with a careful mind toward the intent of the language and believe these changes would eliminate some potential ambiguities and weaknesses. We thank you for the opportunity to convey our opinion on the Bill and the language it contains prior to the hearing on Monday.

Very truly yours,

ARCTIC SLOPE REGIONAL CORPORATION

By:


Rodney Pederson
Assistant House Counsel

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WORK DRAFT

PETERSON

9-LS066703
Barrister
3/24/95

CS FOR HOUSE BILL NO. 251()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MOSES, MacLean, Williams

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the meetings, shareholder proposals, and removal of directors
2 of Native corporations."

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

Delete Sec. 1

4 Section 1. AS 10.06.480(a) is amended to read:

5 (a) In addition to other liabilities, a director is liable in the following
6 circumstances unless the director complies with the standard provided in
7 AS 10.06.450(b) for the performance of the duties of directors:

8 (1) A director who votes for or assents to a distribution to the
9 corporation's shareholders contrary to the provisions of AS 10.06.358, 10.06.360,
10 10.06.363, or 10.06.365 or contrary to a restriction in the articles of incorporation, is
11 liable to the corporation, jointly and severally with all other directors voting for or
12 assenting to the distribution, for the amount of the distribution that is paid or the value
13 of the assets that are distributed in excess of the amount of the distribution that could
14 have been paid or distributed without violation of AS 10.06.405 - 10.06.438.

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~~10.06.960(1) or the restrictions of the articles of incorporation.~~

~~(2) A director who votes for or assents to a distribution to the corporation's shareholders during the liquidation of the corporation without the payment and discharge of, or making adequate provision for, all known debts, obligations, and liabilities of the corporation is liable to the corporation, jointly and severally with all other directors voting for or assenting to distribution, for the value of the assets that are distributed, to the extent that the debts, obligations, and liabilities of the corporation are not therefor paid and discharged.~~

~~(3) A director who votes for or assents to a loan of assets of the corporation to an officer or employee or a loan secured by the corporation's shares contrary to the provisions of AS 10.06.485 or contrary to a restriction in the articles of incorporation, is liable to the corporation, jointly and severally with all other directors voting for or assenting to the loan, for the amount of the loan that is in excess of a loan that could have been extended without a violation of AS 10.06.485 or the restriction in the articles of incorporation.~~

* Sec. 2 AS 10.06.960 is amended by adding new subsections to read:

(i) Notwithstanding AS 10.06.405 and 10.06.465(e), special meetings of the shareholders of a corporation organized under the Act may only be called by ⁽ⁱⁱ⁾ the board, ⁽ⁱⁱⁱ⁾ the chair of the board, ^(iv) the president, ^(v) a petition by the holders of not less than one-quarter of all the shares entitled to vote at the meeting, or ^(vi) other persons as may be authorized in the articles of incorporation or the bylaws.

(m) In addition to the other requirements of this chapter and AS 45.55 for special meetings, and subject to the penalties in AS 45.55.920 - 45.55.925, a written notice of a petition or other request for a special meeting of shareholders under (i) of this section shall be filed with the corporation before a person solicits support for the petition or request. 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. A petition or request bearing the original signatures of the holders of the requisite number of shares supporting the petition or request shall be filed with the corporation within 90 days after the filing. If a petition or request covered by this section does not comply with this subsection and AS 45.55.160, the

(i)
(ii) or (v)
the sponsor or solicitor of the petition or request

CSEB 251()

2.
New Text Underlined (DELETED TEXT BRACKETED)

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1 petition or request is invalid.

2 (n) The provisions of AS 10.06.460 do not apply to a corporation organized
3 under the act, if the corporation has adopted articles that provide for classification of
4 directors under AS 10.06.455, or if the corporation is allowed by sec. 57, ch. 82, SLA
5 1989, to provide in its bylaws for the classification of directors.

6 (o) A corporation that is organized under the act is not required to consider or
7 to submit to a vote of the shareholders a shareholder proposal (that deals substantially
8 with the same subject matter as a proposal that was submitted to a vote of the
9 shareholders within the preceding two years, notwithstanding compliance with

an other request

with subsection (m) above.

10 * Sec. 3. AS 45.55.920(b) is amended to read:

11 (b) The administrator may issue an order against an applicant, registered
12 person, or other person who knowingly or intentionally violates this chapter, [OR] a
13 regulation or order of the administrator under this chapter, or AS 10.07.960(m)
14 imposing a civil penalty of not more than \$2,500 for a single violation, or not more
15 than \$25,000 for multiple violations, in a single proceeding or a series of related
16 proceedings.

AS 10.06.960(m)
a sponsor or solicitor of a petition or request who knowingly or intentionally violates

17 * Sec. 4. AS 45.55.920(d) is amended to read:

18 (d) Before issuing an order under (a)(1), (b), [OR] (c), or (e)(1) of this section,
19 the administrator shall give reasonable notice of and an opportunity for a hearing.
20 However, the administrator may issue a temporary order under (a)(1) or (e)(1) of this
21 section pending the hearing, which remains in effect until 10 days after the hearing is
22 held and which becomes final if the person to whom notice is addressed does not
23 request a hearing within 15 days after the receipt of notice.

24 * Sec. 5. AS 45.55.920 is amended by adding a new subsection to read:

25 (e) If the administrator is informed that a person has engaged or is about to
26 engage in an act or practice in violation of AS 10.06.960(m), AS 45.55.139, or
27 45.55.160, and if the act or practice relates to a regular or special meeting of the
28 shareholders of a Native corporation, the administrator shall

- 29 (1) issue an order
- 30 (A) directing the person to cease and desist from continuing the
- 31 act or practice; and

New text Underlined (DELETED TEXT BRACKETED)

Section 2. AS 10.06.990 is amended by adding a new subsection to read:

(4g) "sponsor or solicitor of a petition or request" means any person or persons who actively petition, solicit or request shareholder support for a petition or request for a special meeting of shareholders under section 10.06.960(L)(iv) or (v).

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1 (B) voiding ^{all proxies} ~~a proxy~~ obtained in violation of AS 10.06.960(m),
2 AS 45.55.139, or 45.55.160; or

3 (2) bring an action in the superior court to enjoin the acts or practices,
4 ^{all proxies} to void ~~a proxy~~ obtained in violation of AS 10.06.960(m), AS 45.55.139, or 45.55.160,
5 or to enforce compliance with AS 10.06.960(m), AS 45.55.139, or 45.55.160, and,
6 upon a proper showing, the appropriate remedy shall be granted.

7 * Sec. 6. AS 45.55.925(a) is amended to read:

8 (a) In addition to the civil penalties assessed under AS 45.55.920, a person
9 who wilfully violates a provision of this chapter except AS 45.55.160, [OR] who
10 wilfully violates a regulation or order under this chapter, [OR] who wilfully violates
11 AS 45.55.160 knowing the statement made to be false or misleading in a material
12 respect or the omission to be misleading by any material respect, or who wilfully
13 violates AS 10.06.960(m), upon conviction, is punishable by a fine of not more than
14 \$5,000, or by imprisonment for not less than one year nor more than five years, or
15 both. Upon conviction of an individual for a felony under this chapter, imprisonment
16 for not less than one year is mandatory. However, an individual may not be
17 imprisoned for the violation of a regulation or order if the individual proves that the
18 individual had no knowledge of the regulation or order. An indictment or information
19 may not be returned under this chapter more than five years after the alleged violation.

20 * Sec. 7. AS 45.55 is amended by adding a new section to read:

21 Sec. 45.55.933. CIVIL ACTION FOR CERTAIN VIOLATIONS. A Native
22 corporation, ~~a shareholder of a Native corporation, or both~~, may bring a civil action
23 in superior court against a person who violates AS 10.06.960(m), AS 45.55.139, or
24 45.55.160, if the violation relates to a regular or special meeting of the shareholders
25 of the Native corporation. In the action, the Native corporation, ~~shareholder, or both~~,
26 may ~~recover damages from the violator~~, void ^{all proxies obtained by the violator} ~~a proxy~~, or enjoin the violator from
27 continuing the violation or committing additional violations. ~~A shareholder may bring~~
28 ~~the action as a derivative action under AS 10.06.933.~~

29 * Sec. 8. AS 45.55.990 is amended by adding new paragraphs to read:

30 (14) "Native corporation" means a corporation organized under 49
31 U.S.C. 1601 - 1641 (Alaska Native Claims Settlement Act);

WORK DRAFT

WORK DRAFT

WORK DRAFT

1
2
3

(15) "proxy" includes a petition or other request for a special meeting of shareholders under AS 10.06.960(m) and material distributed in connection with the petition or request or with the solicitation of support for the petition or request.

(16) "sponson or solicitor of a petition or request" means a person defined in section 10.06.990.

Testimony of
Roy M. Huhndorf, Chairman & Chief Executive Officer
Cook Inlet Region, Inc.

Regarding H.B. 251
3/27/95

Mr. Chairman and Honorable Committee Members:

My name is Roy Huhndorf and I am the Chairman and Chief Executive Officer of Cook Inlet Region, Inc. (commonly known as CIRI).

As you know, CIRI is one of the twelve Alaska regional corporations formed pursuant to the Alaska Native Claims Settlement Act, or ANCSA. The legislation you are considering today, House Bill 251, is the result of careful consideration over a long period of time by the regional corporations and a number of ANCSA village corporations, of problems posed for them by the Alaska Corporations Code. This bill has broad support among the Native corporations, and I am privileged to speak to you not only on behalf of CIRI but on behalf of the many regional and village corporations supporting this bill.

Our general counsel, Mark Kroloff, has already submitted detailed written testimony regarding the specific provisions of H.B. 251. My purpose today will not be to repeat that more detailed, technical testimony, but instead to touch briefly on some of the policy considerations that support passage of this bill.

As you may know, ANCSA called for all regional and village corporations to be chartered as corporations under Alaska law. Regional corporations were required to be chartered as for-profit corporations. Village corporations could opt to be chartered as for-profit or non-profit corporations; most chose for-profit status. Therefore all regional corporations and most village corporations are governed by the general corporations law of Alaska found in part 10.06 of the Alaska Corporations Code.

What many people do not realize is that Native corporations are preeminent among the businesses most affected by the Alaska Corporations Code. Most of the state's largest businesses, such as the oil companies, communications companies, timber companies, oilfield service companies, and others, are not incorporated under

the laws of the State of Alaska, but are incorporated under the laws of Delaware or other states that attract incorporation. Thus, Alaska Native corporations are among the most economically significant corporations governed by the Alaska Corporations Code.

Yet, in 1989 when the Corporations Code was broadly re-written by a California law professor hired at that time to advise the state, the re-write largely ignored important issues of state corporation law that affect Native corporations. As a result, the legislature has amended the Corporations Code on more than one occasion since 1989 to enact specific provisions dealing with Native corporations. Most of these amendments are contained in section 10.06.960 of the Code, which is a separate section dealing with Native corporations and which is the section that would be further amended by H.B. 251.

Most of the Native corporation amendments have been designed for two purposes: First, to address problems unique to the way Native corporations operate; and second, to more closely reconcile provisions of the Corporations Code with provisions of ANCSA. The legislation before you today seeks to do both.

We are all familiar with the series of petition drives and special meeting requests that are sweeping across the state, from Goldbelt and Sealaska in the Southeast to Arctic Slope Regional Corporation on the North Slope. In these petition drives, small groups of shareholders, in some cases encouraged by a group of non-shareholder advisors who have moved from region to region, are demanding that Native corporations hold special meetings of shareholder to consider a variety of resolutions. Most of these resolutions, while addressing matters that shareholders may be interested in, are of an advisory nature only.

On its face there is nothing wrong with the petition process. If a significant number of shareholders would like their corporation to call a meeting, and if they have honestly and with full disclosure presented to their fellow shareholders all of the facts surrounding the matters to be addressed at the meeting, we would have no objection to the process.

But that is not what is happening under current law for two important reasons. First, these petition groups have been using false and misleading information in their petition drives in every region of the state. The securities administrator has done

nothing to stop this false and misleading information, because it is uncertain, in his view, whether a petition for the purpose of calling a special meeting is the same as a proxy and therefore subject to the truthfulness requirements of Alaska's proxy rules. This legislation makes clear that it is, and requires the administrator to act to stop the spread of false and misleading information in these petition drives.

Second, this legislation would change the threshold for calling a special meeting from 10% to 25%, to make it more consistent with the petition provisions of ANCSA. This is an important protective mechanism for the vast majority of shareholders who support conducting the corporation's business at its regular annual meeting, and who see the corporation's money wasted when it has to conduct repeated special meetings at the behest of a small minority.

ANCSA has not dictated petition requirements for every corporate issue affecting Native corporations. But on perhaps the single most important issue--the alienability restrictions governing ANCSA stock--Congress provided that 25% of the shareholders sign a petition before the corporation can be required to call a special meeting.

What is the purpose of a higher, 25% threshold: To ensure that a proposition has some significant level of support, even if it is a minority, before the corporation can be required to undergo the expense and disruption of a meeting.

If you pass this legislation, will shareholders be deprived of their rights to bring resolutions before their corporations? No. First of all, shareholders can always bring resolutions before the corporation at the company's annual meeting, which by statute is required to be held every year. H.B 251 addresses special meetings only and does not affect that right.

Secondly, any time there is significant support for a special meeting, even if it is only support by a minority, 25% of the shareholders will be able to call for such a meeting.

What this legislation will do is protect the vast majority of shareholders from the manipulation that can come when people use false and misleading information in a petition drive. It will also ensure that a petition that has only a very limited amount of support cannot be used to repeatedly subject the corporation to the expense and

disruption of a special meeting. In addition, the legislation contains a provision conforming Alaska law to the majority of state corporations law, including Delaware, by providing that where a corporation has a classified (or "staggered") board of directors, the recall provisions of the Corporations Code do not apply.

In conclusion, I would like to point out that CIRC has taken a leading role in improving the lives of our shareholders and helping empower our shareholders to control their own destiny. Our efforts include one of the state's most aggressive Native hire programs; numerous social and cultural programs such as the Alaska Native Heritage Park, the Alaska Native Justice Center, Koahnic Broadcasting Corporation, and other programs; and special stock buy-back legislation for CIRC shareholders to vote on to provide a middle-ground between restriction and un-restriction of CIRC stock. The many other Native corporations supporting this bill also support some of these, and other important programs, in their areas. We see this bill as a means to further protect and empower our shareholders, by requiring a petition process that is truthful, accurate, and supported by at least a relatively significant minority of shareholders.

In closing, I would like to thank you once again for the opportunity to speak to you today.

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT
DIVISION OF BANKING, SECURITIES AND CORPORATIONS

WALTER J. HICKEL, GOVERNOR

P.O. BOX 110807
JUNEAU, ALASKA 99811-0807
Banking & Securities (907) 465-2521
Corporation Section (907) 465-2530

ANCHORAGE
Corporation Information (907) 563-2161

November 22, 1994

Transmit by fax: 349-1546

Ms. Delice Alexander Calcote
Shareholders For CIRI'S Future
205 E. Dimond Boulevard, #326
Anchorage, AK 99515

COPY

Dear Ms. Calcote:

Re: LETTER OF CENSURE

As we have previously discussed, this letter will act as formal notice and censure relative to allegations concerning two materially false and/or misleading statements which were contained in proxy material distributed by Shareholders For CIRI'S Future (SFCF) prior to the special shareholders petitioned meeting of November 17, 1994.

The referenced statements involved representations that CIRI had booked Net Operating Loss (NOL) receipts as revenues in order to facilitate bonuses for management officers and the second that CIRI had lost asset value in excess of \$200 million in its broadcast properties as evidenced by its audited financial statements. In the first instance, we saw no evidence to support the contention that any NOL accounting was done to influence managements decisions involving payments of bonuses. The manner in which the NOL's were booked was in accordance with "generally accepted accounting principles" (GAAP) as attested by CIRI's certified public accountants in their opinion letter accompanying the audited financials. With respect to the booking of the asset value of the broadcast properties your representations reflected a failure to carefully review the referenced financials that disclosed a consolidation of certain asset items in the main balance sheet again in accordance with GAAP.

In any event you should know that had this proxy contest involved a binding vote (as in election of directors) this office would have been compelled to undertake administrative action to consider the possible voidance of proxies obtained prior to or in the absence of corrective statements. The Administrative process includes an opportunity for hearing prior to the issuance of any order.

Should SFCF become involved in any further proxy contest, we urge that you seek appropriate legal counsel and further that all proxies or proxy related materials be timely filed with this office as required by AS 45.55.139.

Please do not hesitate to contact this office if we may offer any further information or assistance.

Sincerely Yours,


Lawrence P. Carroll
Senior Securities Examiner

LPC/vs459.bsc/112294a

08-114LH CC: CIRI

TESTIMONY OF JUDY KALKINS ON H.B. 251

Representatives and members of the House Labor and Commerce Committee, my name is Judy Kalkins, and I am a Cook Inlet Region, Inc. shareholder who is here to testify against H.B. 251.

Under Section 2(b) of the Alaska Native Claims Settlement Act (ANCSA), it says ANCSA should be accomplished 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."

- o CIRC shareholders did not get to approve ANCSA, it was approved by AFZ;
- o When CIRC's Articles and By-laws were approved, shareholders didn't approve them, the Secretary of the Interior did;
- o When the SEC (Securities Exchange Commission) exemption was approved, it was approved by regional corporations, not the shareholders;
- o When CIRC's land trade was approved, it was approved by the CIRC Board, not the shareholders;
- o When the 7(1) Agreement was approved, it was approved by the regional corporations, not the shareholders;
- o When CIRC amended its land trade to trade for federal properties out of Alaska, the shareholders did not get to vote on the issue;
- o And when the ANCSA Amendments of 1987 were approved, CIRC shareholders did not get to vote on the amendments.

The ANCSA Amendments changed CIRC's Articles without a vote of shareholders, and the amendments extended STOCK restrictions without a vote of the shareholders.

When the regional corporation managers exempted shareholders from the protections of the SEC, the Interior and Insular Affairs Committee report stated: "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."

H.B. 251 has not been disclosed to the CIRC shareholders, nor have we voted on it. Under Section 2(c) of ANCSA, it says: "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 PROMOTE THE RIGHTS or welfare of NATIVES AS CITIZENS OF THE UNITED STATES OR ALASKA."

Native corporations are only covered by State laws that were

chosen by the regional corporation managements. As a shareholder in CIRI, I do not have the same rights and protections given to other Alaska and U.S. shareholders. I do not have the protections offered under the Securities and Exchange Act, and since the Secretary of the Interior has ruled that Alaska Native shareholders are not tribal members, I lost protections offered other American Indians under the Indian Civil Rights Act of 1968.

Shareholder petitions and resolutions are the only means available for shareholders to speak out on the issues. Why are the regional corporation managements so worried about their shareholders right to present a resolution or petition? They are only advisory to the board of directors.

When a petition or resolution is presented to stockholders, the expense of doing so is paid by the shareholders presenting the petition or resolution, and they not reimbursed for their costs. Increasing the petition requirement from 10% of the shares to 25%, increases the cost to shareholders.

Limiting shareholders to only 90 days to get signatures on a petition or resolution is detrimental to the shareholders presenting a petition or resolution. Often a shareholder mailing is broken into several segments, because the shareholders cannot afford a mailing that costs approximately \$5,000. As returns bring donations and stamps, more mailings are sent until the mailing is finally completed.

Approximately 70% of CIRI's shareholders live in poverty and few, if any, have adequate funds to mail out petitions or resolutions.

I believe that H.B. 251 discriminates against Alaska Native shareholders and the legislation jeopardizes a shareholder's right to present a petition or resolution. I therefore, request that this Committee kill H.B. 251.

Judy Kalkins

Judy Kalkins
3723 E. Leitch Ave
Anch. Alc. 99507

Ph. 349-8589 or
349-7648

My name is Judy Karkins. I am a CIRC shareholder.
 At CIRC's 1994 Annual Meeting, CIRC's president was asked if CIRC was going to distribute any net operating loss (NOL) moneys to shareholders. The president answered "no." He said shareholders already got their share of NOLS through their dividends. CIRC's president told the shareholders the NOL funds were going to be used for investments and to buy back stock for CIRC shareholders.

I didn't like the president's answer because I had read in CIRC's Proxy Statements that he had been paid nearly \$2.8 million from 1987 to 1993, and much of what he was paid was based on reporting CIRC NOL moneys as revenues. The president could get millions from the NOLS but CIRC shareholders could not get their fair share of the NOLS.

Refusal to give NOL moneys to the shareholders led to the formation of Shareholders For CIRC's Future. The group picketed and handed out fliers, then it passed out petitions that called for CIRC to distribute 50% of its net sales proceeds of broadcast sales, and 100% of the net NOLS approved by the IRS. When SFCF had enough signatures to call a special meeting, it contacted both CIRC and the State Securities Office and requested that CIRC sent out a ballot vote on its resolutions. SFCF did not want a special meeting, nor did it want to do a proxy campaign.

CIRC would not agree to SFCF's request, so the group was forced to call a special meeting and had to solicit proxies on resolutions that were just advisory to the CIRC Board of Directors. CIRC management spent a large amount of corporate money to oppose SFCF's shareholder resolutions.

Shareholders donated stamps, envelopes, paper and money for the group's mailings. After SFCF turned in signatures of nearly one-third of CIRC's shares, CIRC management called a meeting with only 20 days notice, and they set the deadline for turning in proxies on Veterans Day. SFCF only had 9-days to mail proxies and get returns from rural Alaska, the U.S.A. and foreign countries. Over 525 CIRC shareholders were disenfranchised by CIRC's move, and neither CIRC management or the SFCF group received a majority vote on the resolutions that were presented at CIRC's Special Meeting.

CIRC management also changed SFCF's resolutions, and presented their own resolutions, instead of those that were signed by approximately one-third of CIRC's shareholders.

Because SFCF dared to campaign against CIRC management, they are now supporting H.B. 251, which will make it more difficult and costly for shareholders to present petitions or resolutions.

The regional corporations have exempted us from the Securities Exchange Act in 1976, we are exempt from the Indian Civil Rights Act of 1968 because we are not recognized as "Indian tribes," and we do not have the rights and protections offered non-Native shareholders in Alaska.

I believe H.B. 251 is legislation that discriminates against Native stockholders, and I ask this committee to kill the bill.

Thank You.

Judy Karkins

3723 E. 1st Ave

349-7648a
 Ph 349-8589

March 27, 1995

Pete Kott, Labor & Commerce Committee
Room 432, Capitol Bldg.
Juneau, Alaska 99801-1182

Dear Mr. Kott:

Thank you for allowing the Native people to testify regarding HB 251. We are very concerned, and view this issue very seriously. This legislation has proven to be very cumbersome to our Native Indian people affected. The issues are very broad, and very technical, we really do get exhausted over having the struggle within the problems of the Alaska Native Claims Settlement Act (ANCSA), where it is a situation where most of the Indians have not come to a full understanding of the issues affecting them, or where to do what when.

I would like to make some comments, reflecting on what Roy Hundorf has stated at the hearing. For one, this is not about money, it is about loss of culture and blocking another bridge for the Natives to get to that culture. For Mr. Hundorf, money seems to really be on his mind. Such is not the way with the Native Indian shareholders. He has money, to think about money. Please remember, that it is not all corporations that give out 50% of profits after expenses - it is just CIRI. Sealaska Corporation gives 35%. The settlement was not an equal one, and each and every village, and those Indians who did not receive a village at all, are all affected very differently. Many of them remain very poor, and this bill is a very deliberate and orchestrated decision to severely bring harm, at a hidden level, to them all. It has become hard for us to go to a legislative hearing that is so complex. Indian people feel attacked by non-Indians when the decisions that effect them are put into the non-Native's hands. It may be hard for you to understand, but the Indian people are uniquely bonded together, and to the land. They are a people with a past.

For someone on the Labor & Commerce Committee that does not understand fully the ANCSA, the burden falls onto legal counsel through legislative channels. I am uncomfortable with such a process, in that it does not show you exactly what effect these things are having on the Indian people. I suggest that you use the experience of some of those in the Native group that testified - so that there is a balance of real experience with educational legislative counsel interpretations. I would be glad to help where I can, and to find someone where I cannot help. I think that it is important that you understand, that a corporation can work with the Indians, as you heard in the testimony that the Juneau Native corporation Goldbelt, Inc. had done a 180 degree turn around as a result of shareholder involvement. Others choose to use the Indian money to fight the Indians obsessively over the land and cultural issues, and to perpetuate themselves in office. When a corporation is more financially successful, it does not necessarily mean that they are more culture friendly. With Sealaska Corporation, we find they are financially successful, but far removed from the Native people. They are absolutely different in dealing with the Native people as compared to Yak-tat-kwaan (Yakutat), Kasaan, Goldbelt, or Klukwan's relationships with their Native people. I have seen Yakutat & Klukwan's Indian newsletters for their people, they are very personal, very kind, as to where Sealaska's are very superficial, corporate and autocratic, with a couple little Indian things, and even less in the area of compassion and acknowledgement, here and there. We all know what were feeling, there is a type of overlooking that we are there in that sense. Klukwan has preserved, for use and Indian enjoyment, some very awe-inspiring Indian sites up there (Haines area). There is a large difference here, in that those Natives are "ENJOYING" their sites, and not far removed from them, or having so

much time go by that they no longer even know where their Indian sites are as a people with a past.

In regards to understanding some of the differences amongst the corporations, in 1993, Sealaska claims to have net sales and investments of \$167,023,000.00 in revenue, for this, we received \$200.00 that year (see attached Sealaska '94-'95 report page). This is what keeps the Indians in poverty. Without land for a common bond, our people are disappearing. There has not in the 25 years of existence been anything tangible of cultural significance given the Indian people to continue their Indian way of life as they wished. Isn't it ironic that these were the same complaints before the historic 1971 Claims Act. It may help you to briefly look over the attached June 1994 Steve Colt report, from the Institute of Social & Economic research at the University in Anchorage, Alaska. It is an old copy that I have, but of particular interest to me is on page 2 the last paragraph states, ". . . many Natives have grown old waiting for meager cash dividends." This brings tears to my eyes regarding the Alaska Native Claims Settlement Act, for that is exactly what happened to my grandmother: *There was no land, and there was not money for her to continue her Native way of life or even for us to get a boat to go to visit our Indian land.* A lot of the Indian lands are in remote places, as with my own family, and can only be reached by boat or small aircraft. There was from ANCSA 1971 to late 1993 when she passed away to try and do something for her and these old people, nothing ever came of it. A few stay rich at the top, for sitting there selling our trees (Sealaska has no businesses at this time-just timber and un-named investments). Our Indian land is turned to Indian money, for them it appears.

I think that from what you could gather, there are extensive issues that must be examined so that there is not unmerciful suffering, or hardships, put upon the destitute Indians. I suggest that the Human Rights Commission become involved with such a severe piece of legislation, that way a kind of a 'rich stealing from the poor' will not take place here in law. I would like to suggest that the committee vote to not move this bill out of the committee.

Thank you for your time today at the hearing. We have never been to one before, and a lot of us were very uneasy.

Sincerely,



Joan Mantei
Box 34711
Juneau, AK 99803-4711

NO gross revenues shown just net sales? 1994-95
 Sealaska Corporation



Excerpt from the Consolidated Statements of Operation (in thousands of dollars)

(In thousands of dollars, except per share amounts)
 Years ended

227,174,000 167,023,000 128,205,000
 March 31, 1994 March 31, 1993 March 31, 1992

	March 31, 1994	March 31, 1993	March 31, 1992
Revenues:			
Net sales	\$219,829	\$155,956	\$111,261
Investment and interest income	7,345	11,067	16,944
	227,174,000	167,023,000	128,205,000
Costs and expenses:			
Costs of products and services	155,464	119,180	80,800
Selling, general and administrative	12,342	11,888	14,711
Interest	510	855	1,420
Other, net	3,932	2,355	1,439
	172,248	134,278	98,370
Earnings from continuing operations before natural resource revenue sharing and income taxes	54,926	32,745	29,835
Natural resource revenue sharing (Note 2)	(35,177)	(13,485)	(8,078)
Earnings from continuing operations before income taxes	19,749	19,260	21,757
Income tax benefit (Note 10)	3,000	3,000	1,000
Earnings from continuing operations	22,749	22,260	22,757
Loss from discontinued operations (Note 3)		(360)	(500)
Net earnings	\$ 22,749,000	\$ 21,900,000	\$ 22,257,000

Why aren't the gross revenues shown? It's a stock owners right.
unnamed investments

Excerpt from the Consolidated Statements of Operations (in thousands of dollars)

Earnings per share of common stock:			
Earnings from continuing operations	\$ 14.43	\$ 14.12	\$ 14.43
Earnings (loss) from discontinued operations		(.23)	(.32)
Net earnings	\$ 14.43	\$ 13.89	\$ 14.11
Dividends (note 13)	\$ 4.46	\$ 2.00	\$ 5.00

These yearly figures are what keep the Indians in poverty, without Indian land for a common land - plus people are disappearing. It is ironic these were the same complaints before 1971.
→ 4400 We received 20000 50000

COMPENSATION OF OFFICERS AND DIRECTORS

TOP PAID 6 EMPLOYEES Sealaska Corporation '94-95

COMPENSATION TABLE

This table outlines the most highly compensated officers of Sealaska Corporation and Sealaska Timber Corporation for the fiscal year ended March 31, 1994 and on the date of publication of this proxy statement.

**SEALASKA CORPORATION & SUBSIDIARIES
SUMMARY COMPENSATION TABLE
FISCAL YEAR 94**

Name and Principal Position	Fiscal Year	Salary (a)	Performance Award	Pension Plan (b)	All Other Compensation (c)	(03)
Loc H. Barlow (d) President & CEO	FY94	\$124,982	\$ (e)	\$12,498	\$ 980	125942
	FY93	122,642				138440
Robert W. Loescher Exec. VP, Resource Management	FY94	110,000	(e)	11,000	3,360	113360
	FY93	107,900	10,790			124360
	FY92	101,850	10,185			
Jack Coady COO & VP Operations Sealaska Timber Corp.	FY94	99,093	9,909	10,900	3,360	102453
	FY93	99,099	20,875			123242
	FY92	90,000	16,200			
Ventura Samaniego (f) Exec. VP Sealaska Timber Corp.	FY94	97,500	(e)	9,750	3,360	110610
	FY93	89,016	38,405			
	FY92	85,000	8,500			
Ray McEwen VP Quality Control Sealaska Timber Corp.	FY94	87,000	8,700	9,570	3,360	108630
	FY93	87,000	16,205			
	FY92	76,682	14,800			
<i>Former Officer</i> Chris E. McNeil, Jr. (g)	FY94	61,090	16,500	26,909	193,178	247677

\$30594.00 raise - why they didn't use the dividend for the people for 14 years.

(a) Current annual salaries for Messrs. Barlow, Loescher, Coady, Samaniego and McEwen are \$155,576, \$110,000, \$101,770, \$97,500 and \$87,000, respectively.

(b) Unless otherwise stated, "Pension Plan" includes company contributions to the Money Purchase Pension Plan paid on behalf of each officer. The company's contribution is based upon 10 percent of all eligible Sealaska and Sealaska Timber Corporation (STC) employees annual salary expense and is allocated based on integration with social security tax costs.

(c) Unless otherwise stated, "All Other Compensation" includes an amount for auto allowances and premiums for group life insurance in the amount of \$400,000 per officer.

(d) Mr. Barlow was appointed CEO effective August 1, 1992. Prior to that he served as president of Sealaska Timber Corporation. Mr. Barlow serves on the Board of Directors of the National Cooperative Bank, which has a financial transaction (loans) with Sealaska Corporation in excess of \$20,000, which preceded his tenure as a director of the bank.

(e) Performance awards for the year ended March 31, 1994 have not been awarded as of the date of publication.

(f) Mr. Samaniego was appointed Executive Vice President of STC effective February 1, 1993. Prior to that he served as President of Fairbanks Sand and Gravel and Alaska Aggregate Corporation.

(g) Mr. McNeil resigned as Executive Vice President/General Counsel effective October 15, 1993. The performance award amount is for fiscal year 93. "All Other Compensation" includes severance payments of \$191,498, including payments for unused accrued sick and annual leave.

This was stated in previous reports - when will we see the bonus award amount?

SEALASKA CORP.

Financial Highlights for the Nineties

<u>1994</u>				<u>1993</u>				<u>1992</u>				<u>1991</u>				<u>1990</u>			
Revenue	Expenses	Net Income	S/H Dist.	Revenue	Expenses	Net Income	S/H Dist.	Revenue	Expenses	Net Income	S/H Dist.	Revenue	Expenses	Net Income	S/H Dist.	Revenue	Expenses	Net Income	S/H Dist.
227,174,000	172,248,000	22,748,000	448	187,023,000	134,278,000	21,900,000	200	129,205,000	88,370,000	22,257,000	600	128,408,000	90,789,000	28,030,000	2,357	109,893,000	78,185,000	18,813,000	312
Rev. to Exp. Ratio		Inc. to Dist. Ratio		Rev. to Exp. Ratio		Inc. to Dist. Ratio		Rev. to Exp. Ratio		Inc. to Dist. Ratio		Rev. to Exp. Ratio		Inc. to Dist. Ratio		Rev. to Exp. Ratio		Inc. to Dist. Ratio	
75.6220571				80.39481587				78.72887873				70.71077572				72.72735821			

kinko's**fax cover sheet**Date: 4-4-95Pages: 2 (NOT including cover sheet)To: Pete Kott-From: John WatsonCompany: Juncow

Company: _____

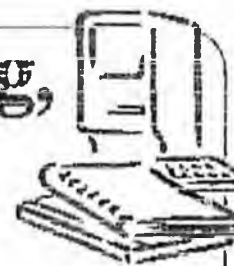
Fax: Please Distribute 465-2819

Fax: _____

Phone: _____

Phone: _____

Coworker Initials: _____

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and every business look better.**

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John P. Watson
8220 Spruce St.
Anchorage, AK
99507

State Labor and Commerce
Chairman Pete Kott
907-465-2819

Hello once again. I would like to comment on an article that was in last weeks Anchorage Daily News concerning the teleconference on House Bill 251, held here in Anchorage and other cities throughout the State.

There was a comment by a state official that there are other states that have percentages required to call a special meeting by shareholders in the 20 to 30 percent range. That may be true. But when it is true, the state law affects ALL the corporations in that state equally. Change the required percentage in Alaska to 25% if you must. But remember, make the change affect ALL corporations in the state equally. Make a change that only affects only a Native corporation than that change is discriminatory.

In my last letter to you I commented on the fact that the Native corporations in Alaska fall under no agencies protection. I would like to expand upon this subject a little further.

Cook Inlet Region has mentioned in several past newsletters and special letters to it's shareholders and I believe also to some state officials that disbursement of the NOL monies would greatly harm the corporation. That it would amount to liquidating the corporation. That it would cause great financial harm to the corporation. How can that be? They don't even have the money yet. Let me explain it in a way that most Alaskans would understand.

Let's say that you're a citizen of Alaska and you just can't wait to get your 1995 permanent dividend check. But you have relatives and friends who you owe money to and are asking you to send some money their way. You tell them that you can't because if you do it will cause you great financial harm. If you do, you!!! have to declare bankruptcy. That you know how best to spend the money and will reinvest the money. How can that be? You

don't even have the money yet.

For this to be true you must really **NEED** the money. You disparately **NEED** the money. If you part with that money then it becomes apparent to your friends and relatives just how bad of shape you are in financially. Yet you've been telling them how successful you are. That you making tons of money on your investments. That you're the most successful one on the block.

I challenge you, anyone on your staff, anyone on your committee to examine the annual reports of Cook Inlet Region and compare the reports back to back and year to year. They don't add up. They have items omitted. They are not consistent. Something is not right.

This has been brought to the attention of banking and securities and they just say that they can't do anything about it and have suggested that it be brought before the shareholders. Isn't that what this bill is all about? Trying to correct a situation by organizing the shareholders.

If this had been a "White Folk Corporation" like NBA, Arco, IBM or any major incorporated company in the state of Alaska and if there were discrepancies with the books then I guarantee you that there would be auditors and investigators filling the skies in order to get to their place of business. There would be state troopers breaking down the doors in order to seize the business records of that company. There would surely be indictments handed out. But not this time. Current state laws don't apply to Native corporations. Federal laws don't apply to Native corporations. No government agency is responsible for monitoring these corporations. With no oversight then it's relatively easy to commit illegal acts against the shareholders of the corporation and to the corporation itself.

I say that it's time to bring ALL Native corporations under the same law as the rest of the corporations in the state. Do what's right. Do what the citizens of the state of Alaska pay you to do, to make sure there is fairness in our laws and that there is protection for the average citizen.

Sincerely,

John P. Watson



March 24, 1995

RECEIVED

MAR 27 1995

Alis U.....

Representative Pete Kott
Chairman
Committee on Labor & Commerce
House of Representatives
Mail Stop 3100
State Capital
Juneau, AK 99801-1182

Re: House Bill No. 251

Dear Representative Kott:

I am writing to you in support of your committee's consideration of HB 251, an Act Relating to Native Corporations. The Arctic Slope Regional Corporation (ASRC) is one of the twelve regional corporations established pursuant to the Alaska Native Claims Settlement Act (ANCSA) here in Alaska. As such, we would be directly affected by the passage of HB 251.

ASRC recently held a special meeting of its shareholders that was called by a shareholder petition. We are familiar with the requirements currently on the books for initiating such a meeting and the requirements, or lack thereof, imposed on the petitioning shareholders. Without detracting from the rights of shareholders to present their concerns, our experience was that the process used, and statements made, during the petition solicitation and campaign for proxies by the small group supporting the petition was disruptive and misleading. A significant number of our shareholders complained that they felt they had been intentionally misled and lied to by the petitioners. Unfortunately, we found little in the current law that was of help to us.

The provisions suggested by HB 251 would go a long ways towards ensuring that the process was fairer and more truthful. All shareholders of a corporation, not just a vocal few, have the right to receive accurate and factual information. The changes suggested by this bill are not infringing on the rights of corporate shareholders nor gilding the position held by management. They are simply trying to ensure that the corporate governance issues raised by the petition process function fairly for all concerned.

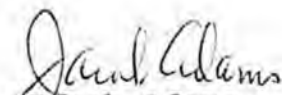
Representative Pete Kott
March 24, 1995
Page Two

The basic standard established by ANCSA itself follows the one-quarter requirement, rather than a mere ten percent; this should be applied by the state as well for determining when a special meeting may be called. It is a standard that all are familiar with under ANCSA and one that has been judged as fair by our federal legislative policy makers.

My purpose here is not to critic the specifics of this bill line by line, but rather to communicate to you and the committee members the need to address the issues addressed in HB 251 and my support for the approach taken here. Unfortunately, I will not be able to present further comments at the committee's next hearing which I understand is now scheduled for Monday afternoon March 27th. I will, however, direct one of our staff people to provide the committee further input at that time.

Thank you for the opportunity to provide my comments to you. I look forward to successful consideration of HB 251.

Very Truly Yours,


Jacob Adams
President

cc: Rep. Eileen MacLean
Sen. Al Adams

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DATE: 7/7/95

TO: Rep Pete Kott
All Committee Members

RE: HB 251

Following is a newsletter to CIR/
Shareholders; Our Platform for Recall;
& a flyer about Roy Huhndorf's (so famous)
Compensation package.

"The Committee" has our permission to
review all documentation filed with
Banking & Securities re: Petition for NOLST
Broadcasting & what we've accomplished
to date on our RECALL efforts.

Thank you for protecting our rights
as shareholders & voters & minorities
& fellow owners of our land. Please
keep in mind Article 12, Section 12
of the State of Alaska Constitution...

while you decide on.... Killing this Bill!

Please!

Thank You... Delice Alexander-Calcott
Ad Hoc Chair



Shareholders for CIR's Future

7/7/95



SHAREHOLDERS FOR CIRI'S FUTURE
 205 E. DIAMOND BLVD., #326
 ANCHORAGE, AK 99515
 (1-907) 349-1546 Phone/Fax



DATE: 1-14-95

TO : CIRI SHAREHOLDERS

FROM: SFCF Ad Hoc Executive Committee
 Delice Alexander-Calcote, Chairperson

Delice Alexander-Calcote

RE : Response to Roy Huhndorf, President of CIRI letter of 1/3/95

We received the letter from Roy Huhndorf, President of CIRI, dated 1/3/95. We, the Executive Ad Hoc Executive Committee for Shareholders for CIRI's Future, would like to reply to several issues that have been raised.

FIRST: Yes, we wish to recall and reseal the entire Board of Cook Inlet Region, Inc. This will, in effect, annul the current contract that they operate under. During these months we have gathered many letters, through meeting and conversations about what the people want. **THE PEOPLE WANT TO ELECT THEIR OWN CHOICE FOR OUR BOARD OF DIRECTOR SEATS.** This is very democratic. The people are going to decide who they want. The people must nominate whom they would like to see on their Board. We want to make sure this happens. **THE NOMINATIONS ARE OPEN.** Anyone wishing to be nominated, please read and agree to **THE PEOPLES' PLATFORM.**

SECOND: Our best interests is the **ONLY** reason that so many shareholders have banded together on these subjects. We receive letters and phone calls every day. Some situations are very sad. When Roy stated at last year's annual meeting that **SEVENTY PERCENT (70%)** of CIRI Shareholders are at poverty and low income levels, we were shocked and dismayed. Delice worked for AFN during Land Claims legislation and passage. What amazes us is that Roy has been the president of our corporation for all these years and we have more people jobless, landless, homeless and maybe some feel hopeless. We wish to offer them hope.

In our numbers we are powerful! **WE OWN** the corporation. **WE CAN** effect changes. **WE WANT TO HELP** each other make these changes. **WE HOPE** that you all read **THE PLATFORM**, then look to whom **YOU** would like to see on **OUR BOARD**. We have received many phone calls so we know the talent, the knowledge, the business minded, the ethics that are needed **DO EXIST** among our shareholders. **ANCSA** says we were to have our standard of living raised. Many have asked our corporation for help in some way or another. The help seemed legitimate and purposeful. However, our shareholders were denied by their own company. A few became very wealthy. We feel that many actions have been done behind our backs and without our knowledge. We do not say this lightly. **WE NEED CHANGE.** We have been directed by AFN that the only way to become healthy is to be involved, do the change --- no one can do it for you. We believe this way.

Roy Huhndorf, President, stated that we did not tell you the truth concerning the

Special Meeting. Just exactly how many shareholders responded to CIRI Advisory Ballot questions? "A majority of shareholders who responded" does not indicate the whole truth. According to the 12/5/94 letter of Fred Boness of Preston Gates and Ellis, Attorneys stated that "CIRI had proxyholders votes at 182,616,346" (see attached), the board's resolutions were supported by only 173,678,921 and 139,793,717 shares. Dividing these numbers by an average of 100 shares means that only approximately 1,737 and 1,398 shareholders supported these resolutions, and almost 5,000 of you did not.

As to CIRI's Financial Performance, an OUTSIDE AUDIT must be conducted in order to find out the validity/truth of Roy Huhndorf, President of CIRI statement. We are in receipt of a Memo from another ANCSA corporation which states that CIRI's accounting methods lists non-cash activities as income. This would be the same as you listing your car that you own as wages. This same corporation further states that "This has got to be the most creative accounting entry that I have run across in my years dealing with ANCSA." Should anyone care to read the entire memo, please contact Banking and Securities for the paperwork we filed on 11/9/94 which included this memo.

Regarding removal for cause. It is our attorney's opinion after reviewing the State Statutes that the statutes control. Thus, the board can be removed without cause, and the provisions to the contrary in the by-laws are superceded and inoperable.

As for Ms. Jane Igtanloc-Goldbach, she is a friend. Delice and Jane were co-workers at one time and Delice (for one) was in support of the Goldbelt Recall Campaign that Jane was involved with last year. When CIRI's annual meeting was over last year, Delice called Jane and told her that a couple of us CIRI Shareholders wanted to know what we could do to stop the proposed buy-back that Roy had spoken of at the meeting. We met and she showed us how we had to organize, how to work with the State agency and within established guidelines. Jane is concerned about ALL shareholders of EACH CORPORATION. The 7(i) distribution formula of ANCSA enjoins us all. The NGL money issue concerns all of us. We are very honored to be able to work along with other Alaska Natives on matters that concern all of us. For your information, it is Jane's intent to file a complaint with Banking and Securities inasmuch as Roy Huhndorf, President of CIRI statement that she wanted to liquidate Goldbelt is false and misleading and damaging. It is her intent to run for the Board of Directors of Goldbelt. Furthermore, it is Jane's intent to demand and get a retraction to be sent to the CIRI shareholders as well as at least Goldbelt shareholders.

As for Jerry Ward, he along with MANY other CIRI Shareholders have spoken with us, have shown their support and offered guidance and their knowledge. We are very appreciate of all the support. ONLY by BEING SUPPORTIVE and CONCURRING TOGETHER can WE ACCOMPLISH great things.

Financial Disclosure! WELL its the Shareholders and their families that have donated the stamps, paper, envelopes, note paper, pens, copying, financial donations, meeting places and homes, coffee, food and their time! We have also seen the wives/significant others in support and offering support. We do not turn them down. Many people, native and non-native, have offered to support and contributed. This is time consuming but with all the volunteer help we have

really kept our expenses down. We are very thankful for all the contributions and ask that you keep sending them in so we may continue to communicate with each other.

Roy Huhndorf wants to know who will replace the current 15 board members. **THE PEOPLE WILL CHOOSE. NOMINATIONS ARE OPEN.** Any CIRC Shareholder 18 years and older by CIRC By-laws may submit their resume, picture for the proxy materials, fill out the Recall Board Candidate Application with the \$400 publication fee and agree to **THE PEOPLE'S PLATFORM.** These monies will be used for mailing and copying costs for mailout/s (2), telephone calls, faxes, attorney fees and meeting copies. The packets will be available upon written request.

Roy Huhndorf wants to know what would be the plan for the company. **WHAT DO YOU WANT? DO YOU WANT THE PEOPLE'S PLATFORM?** The People's Platform represents **EVERY** Shareholder!!!

Speaking of misleading reports, shareholders have asked for the cost of the Special Meeting. Roy advised shareholders at the Seattle Information meeting that it would be reported in the next CIRC newsletter. To date, there has been no report. Moreover, we know of at least two (2) CIRC Board members who had no advance knowledge of Roy's 1/3/95 letter. We presume the other Board members were also not notified -- prior to its release.

PLEASE NOTE: Even if you have already signed a petition--**MAKE YOUR VOTE COUNT**--Sign another petition of ours. You can't vote too many times for the People's Choice.

OUR POSITION IS:

GIVE THE CORPORATION BACK TO THE SHAREHOLDERS.

VOTE FOR THE PEOPLE'S CHOICE!!!

YOUR VOTE COUNTS!!!

1/11/95