

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8672 HOUSE LABOR & COMMERCE

**THE PEOPLE'S PLATFORM FOR SHAREHOLDERS FOR CIRI'S FUTURE  
is as follows:**

1. WE ARE ENDORSING CHANGE WITHIN OUR CORPORATION
2. WHEN THE NOL MONEYS BECOME AVAILABLE, WE WANT A BOARD THAT SUPPORTS 100% DISTRIBUTION TO THE SHAREHOLDERS. THE SHAREHOLDERS HAVE THE RIGHT TO DECIDE ON HOW THEIR MONEY WILL BE HANDLED.
3. ~~WE WANT A BOARD THAT SUPPORTS A DISTRIBUTION TO THE SHAREHOLDERS OF 50% OF THE NET SALE PROCEEDS OF BROADCAST PROPERTIES~~
4. WE WANT A BOARD OF DIRECTOR TEAM THAT IS IN FAVOR OF ELECTION REFORM THAT:
  - (A) WILL MAKE OUR ELECTIONS FAIR FOR ALL SHAREHOLDERS AND LET THE HIGHEST VOTED CANDIDATE WIN
  - (B) WILL HAVE ALL CANDIDATES ON THE CORPORATE PROXY CARD
  - (C) WILL DO AWAY WITH BOARD SLATES
  - (D) WILL HAVE ALL DISCRETIONARY VOTES DIVIDED EQUALLY AMONG CANDIDATES FOR THE SHAREHOLDERS AND THE FUTURE
  - (E) WILL HAVE AN INDEPENDENT THIRD PARTY COORDINATE ALL ELECTIONS RATHER THAN THE BOARD OF DIRECTORS
5. WE WANT A BOARD THAT WILL BRING THE ISSUE OF OUR CHILDREN AND NEWBORNS TO THE SHAREHOLDERS
6. WE WANT A BOARD THAT WILL BRING THE ISSUES OF OUR RESPECTED ELDERS TO THE SHAREHOLDERS
7. WE WANT A BOARD THAT WILL BRING THE ISSUE OF UNRESTRICTING OUR STOCK AND/OR A BUY-BACK TO THE SHAREHOLDERS
8. WE WANT A BOARD THAT IS TRUSTWORTHY AND RESPONSIVE TO THE SHAREHOLDERS AND WILL FOLLOW CORPORATE POLICIES
9. WE WANT A BOARD THAT WILL BRING THE ISSUE OF LAND DISTRIBUTION TO THE SHAREHOLDERS

**WITH YOUR SUPPORT WE WILL SUCCEED!**

**THE FUTURE IS TODAY SO MAKE YOUR VOTE COUNTS, BECAUSE IT IS OUR MONEY!**

**WE WANT THE PEOPLE'S CHOICE**

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*Please note: we, the shareholders, are interested in bringing our corporation to the control of our shareholders by having our platform endorsed by our candidates in writing. The People's Platform is necessary for our shareholders and corporation.*

For more information please contact:



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



1/14/95

ROY M. HUHNDORF

EMPLOYEE OF

COOK INLET REGION, INC.

PAYS HIMSELF OVER

\$548,000 PER YEAR\*

Think of that as earning:

\$10,538 PER WEEK !! or

\$45,313 PER MONTH !!!

This is not what we had in mind when one billion dollars and forty million acres of land were given to the Alaska Native people some twenty years ago.

PLEASE HELP US STOP THIS OUTRAGEOUS ACT!!!

Roy Huhndorf said at the 1994 Annual Shareholder meeting that 70% (seventy percent) of Cook Inlet Region Shareholders are at poverty and low income levels. Many eat at Beans Cafe, live at Brother Frances Shelter and survive on welfare and food stamps.

WE INTEND TO STOP THIS GREED!! BECAUSE IT IS OUR MONEY!!!

We need YOUR HELP! Please send any donation of money or stamps to:



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



Thank you for what you can do.  
Together we can make a difference!!!

\*Source: CIRI's 1993 Annual Proxy Statement - see other side....

OPEN LETTER: *TO ALL NATIVE REGIONAL CORPORATE SHAREHOLDERS*

Our corporate regional stock is in danger of being bought-out for a minimal price through two pieces of legislation currently before the Washington, D.C. legislators. The two bills are numbered: SB #444 and HR #421. Although these bills initially impact CIRI, we believe that every corporation will be able to use these as a precedent.

HR #421 -- the BUY-BACK BILL has been referred to the House Committee on Resources with an amendment that passed to the original bill on 2/8/95:

"....provide immunity only for....(your corporation).... from damages that resulted from terms made in offers connected with any purchase of settlement common stock...."

A BIG THANK YOU to everyone who has called/went in their opinions on this Buy-Back proposal. Please continue to send in your objections. We believe that the more objections the congressional legislators receive, the better chance of having our concerns acted upon!!!

IN THE MEANTIME Senators Murkowski and Stevens have introduced ANOTHER VERSION of a CIRI Buy-out bill: SB 444. SB 444 states there shall be no liability to: our Corporation, any member of the board of directors, and any firm or member of a firm of investment bankers or valuation experts who assist in making a determination of a purchase price for our stocks.

REMUNERATION FOR FISCAL YEAR  
ENDED 12/31/93

Name and Capacity in Which Remuneration was Received	Base Salary <sup>1</sup>	Bonus <sup>2</sup>	Profit Sharing Plan <sup>3</sup>	Deferred Long-Term Compensation <sup>4</sup>
<b>Officers:</b>				
Roy M. Huhndorf President & Chief Executive Officer	\$232,084	\$132,800	\$71,006	\$163,001 = \$548,971
Stephen C. Hillard Vice President, Cook Inlet Corporation	205,179	200,000	-0-	-0- = \$405,179
Carl H. Marrs Senior Vice President	158,793	45,220	21,006	101,251 = \$326,270
Frank R. Klett Senior Vice President	140,423	37,536	21,006	101,251 = \$308,218
Margaret L. Brown Senior Vice President	148,652	38,789	21,006	101,251 = \$309,698
<b>SUB TOTAL</b>	<b>\$893,133</b>	<b>\$454,427</b>	<b>\$84,024</b>	<b>\$466,754 =</b>
Other Officers' base salaries, for uses, Profit Sharing Plan, and deferred long-term compensation plan where applicable (represents 6 persons)	\$1,085,763			\$1,898,336
Directors' Attendance and In-Service Fees (excluding CIRI employees, who receive no such fees)	\$307,600 ÷ 14 = \$21,971 EACH			
<b>Total Aggregate Remuneration for all Directors &amp; Officers as a Group (represents 25 persons)</b>	<b>\$2,984,099</b>			

- Includes use of company-owned vehicles. CIRI has eight cars, a van and a pickup truck that are used for company business during weekdays. Each officer named by this footnote had used one of the vehicles during non-business hours. Cook Inlet Corporation officers similarly have use of a vehicle.
- Bonus for officers of CIRI are awarded only at the discretion of the CIRI Board of Directors, who review the Company's performance, their decision to authorize bonuses. Bonuses are recorded in the table in the year for which they are awarded and thus accrued by the Company, although they are paid in the succeeding year. Bonuses for officers of CIRI are paid pursuant to written contracts based on certain performance targets.
- Figures are the total estimated profit sharing and matching contribution amounts to be allocated to the accounts of the executive employees. Figures reflect the allocation of the contribution made to the Plan on the basis of the Company's performance, or in the case of matching contributions based upon the formula described above, for 1993, although the contribution was actually made in 1994. Money in the individual's account under the Profit Sharing Plan is not paid out until the individual's death, retirement or other employer employment. Prior to 1994, CIRI officers were not eligible for the Plan.
- Certain key CIRI officers were eligible for deferred long-term compensation under a plan based on a formula taking into account the company's three-year average return on equity as defined for purposes of the plan. The amount accrued each year was based on the Company's return on equity performance to date and the rate of vesting; the compensation vested at the rate of 20% per year. The plan was terminated in early 1993, and total amounts owed under the plan were paid in 1993. Amounts shown above represent amounts paid upon termination not previously accrued and shown on the table in prior years' proxy statements. In early 1993 the Company implemented a new long-term incentive compensation plan applicable to certain key executives. The plan is effective January 1, 1993 and expires December 31, 2001, with one-time vesting upon the expiration of the plan. The plan is based upon a formula that accrues compensation based on the return on equity as defined in the plan, and upon 36% of amounts earned (although not vested) under the plan to be accrued on a yearly basis. No amounts were accrued under the plan in 1993 because no material amounts were earned.

Each of CIRI's directors is a voting shareholder owning 100 shares of CIRI stock, except Charles G. Anderson who owns 200 shares, B. Agnes Brown who owns 200 shares, Costa E. Dagg who owns 80 shares, William C. Prosser who owns 90 shares, Clare Swan who owns 105,555 shares, A. Debbie Fullenwider who owns 133,333 shares, and Roy M. Huhndorf who owns 60 shares. In addition, certain of the directors are custodians for shareholders.

CIRI President Roy M. Huhndorf is a member of the board of directors of National Bank of Alaska (NBA). CIRI has a regular banking relationship with NBA; financial transactions in the ordinary course of business between CIRI and NBA during 1993 and those presently anticipated significantly exceed \$20,000. Roy M. Huhndorf is a member of the Board of Directors of the Alaska Federation of Natives (AFN). CIRI is a Class A member of AFN and pays a proportionate share of membership dues and assessments for AFN's activities. CIRI's share of such dues and assessments in the aggregate annually exceed \$20,000.

The CIRI Foundation (TCF), established in 1982, is a non-profit educational organization whose primary function is to award scholarships and other educational grants and to administer other related educational programs. During fiscal year 1993 CIRI contributed \$171,000 to TCF and anticipates a similar level of contributions in 1994. The CIRI Board of Directors appoints a majority of the directors of TCF. Roy M. Huhndorf and William D. English, who are CIRI Directors, are also directors of TCF. CIRI Vice President John Monfor is president of TCF; CIRI Vice Presidents Craig A. Fluerchinger and Margaret L. Brown are directors of TCF.

CIRI director William C. Prosser is a shareholder and President of Ninilchik Native Association, Inc. (Ninilchik) and Robert N. Woodhead is a shareholder and director of Ninilchik. CIRI directors John N. Colberg and Patrick M. Marrs and CIRI Senior Vice President Carl H. Marrs are shareholders of Seldovia Native Association (Seldovia). CIRI director B. Agnes Brown is a shareholder and Chairman of Tyonek Native Corporation (Tyonek). CIRI directors Leo Stephan and A. Debbie Fullenwider are shareholders of Eklutna, Inc. (Eklutna). Tyonek, Eklutna, Seldovia, and Ninilchik are Village Corporations organized under the Alaska Native Claims Settlement Act. CIRI has entered into agreements with Tyonek, Eklutna, Ninilchik, and Seldovia regarding sand and gravel use. CIRI has entered into agreements with Ninilchik regarding road construction, access, and use in timber harvesting areas.

CIRI director Allan R. Chase, Sr. and CIRI Vice President Barbara A. Donatelli are shareholders of Doyon, Ltd., another Regional Corporation to which CIRI's payments pursuant to ANCSA Section 7(i) exceed \$20,000 in most years.

In early 1991, Seldovia filed a lawsuit against CIRI and the United States seeking damages in an unspecified amount and injunctive relief, arising out of certain land selections to which Seldovia claims entitlement. CIRI believes the lawsuit is against the interests of CIRI and other village corporations in the region, and CIRI has contested it vigorously.

Costa E. Dagg, a CIRI director, owns an immaterial number of shares in Parker Drilling, which has a subsidiary that is the general partner in two drilling rig partnerships in which CIRI Drilling Company, a wholly owned subsidiary of CIRI, is a limited partner. CIRI Senior Vice Presidents Margaret L. Brown and Frank R. Klett own an immaterial number of shares in ARCO. CIRI and

<sup>1</sup>For purposes of this statement, materiality is defined as less than 5% of the shares of a publicly-traded company. Each of the shareholdings described in this paragraph in fact constitute less than 1% of the shares of the listed companies.



SAMPLE PROXY

PROXY Please fill all blanks indicated by an X

CONCERNED SHAREHOLDERS FOR CIRI

For the Cook Inlet Region, Inc. 1995 Annual Meeting of Shareholders, as of April 4, 1995 or adjournment thereof, to be held May 19, 1995 at the Eagan Center. Registration 10 A.M.. Voting 1 P.M.

A Proxy must be officially received by 5 P.M. On May 12, 1995 in order to be voted at the meeting.

I, the undersigned (X) \_\_\_\_\_ hereby nominates and appoints

(Print your name clearly on above line)

as my attorney-in-fact and proxy.

The Shareholder(s) Emil Notti, Judy Kalkins, Mary Ann Mills and/or Roberta Oskolkoff

You may withhold authority for a proxy holder by lining through or otherwise marking out the name of the proxy holder.

The above person(s) are authorized with the power of substitution, to vote all shares of Cook Inlet Region, Inc. by me or by those for whom I am custodian or otherwise have voting authority in connection with the election of (3) directors as named below, and on all resolutions listed below and/or other matters that may lawfully come before the (tentative) May 19, 1995, Twenty Second (22) Annual Meeting of Cook Inlet region, Inc. And any adjournment thereof, with all power I would possess if personally present. If only one thereof be present and act then that one, shall have and exercise all the power of said proxies hereunder.

ELECTION OF DIRECTORS

In the election of directors said proxies shall have discretion and authority to cumulate and distribute the votes represented by this proxy in such proportions as they shall see fit among the nominees named below. If a nominee is unable or unwilling to serve or is otherwise unavailable, said proxies shall have discretion and authority to vote in accordance with their judgment for other nominees and to cumulate and distribute such votes in such proportions as they see fit among all nominees.

This proxy will be voted in accordance with the holder's best judgment including any substitute nominees in case of unavailability.

Election of Directors: Emil Notti, Judy Kalkins and LaYae Gillis

You may withhold authority for a nominee by lining through or otherwise marking out the name of the nominee.

OTHER BUSINESS: RESOLUTIONS

Shareholder resolutions: The following shareholder resolutions will be offered by the participants at the May 19, 1995 Annual Meeting. These resolutions will be advisory only and will require approval by the majority of the CIRI Board of Directors before implementation in any form. All of the following resolutions will be marked yes unless otherwise marked.

please mark clearly
NOL (net operating loss)

- 1. YES NO That CIRI shall distribute 100% of the NOL (Net Operating Loss) funds approved by IRS however much that may be

BROADCAST

- 2. YES NO That CIRI shall distribute 50% of the net sale of the Broadcast Properties however much that may be in the form of cash or checks

VOTING, PROXY AND OTHER RELATED RESOLUTIONS

- 3. YES NO That CIRI modify the format of the existing Proxy form currently used by CIRI
4. YES NO That the Board of Directors shall limit their powers to proxy solicitation for quorum purposes only. (The Board will not solicit for any individual but rather for all nominees.)
5. YES NO That when a shareholder does not vote for any candidate the votes shall be distributed equally amongst all candidates
6. YES NO That when a shareholder votes for a candidate(s), he fails to enumerate the number of votes to be voted for the candidate(s), the vote shall be divided equally amongst all candidates. (To eliminate discretionary votes where the Board or individual(s) use them to elect and/or eliminate candidate(s) on a slate.
7. YES NO That the expense of the Board of Directors solicitation for proxies, including the cost of preparing, printing, and mailing(s) shall be borne by CIRI and shall include all candidates. (All other types of campaigning shall be paid for by the nominee)

OVER



SAN

- |     | YES                      | NO                       |  |
|-----|--------------------------|--------------------------|--|
| 8.  | <input type="checkbox"/> | <input type="checkbox"/> | That the names of all nominees who have been validly nominated for the Board of Directors shall be listed on CIRC's Ballot   |
| 9.  | <input type="checkbox"/> | <input type="checkbox"/> | That no CIRC employee shall serve on the Board of Directors of CIRC  |
| 10. | <input type="checkbox"/> | <input type="checkbox"/> | That CIRC shall provide an educational packet that clearly explains in elementary language voting procedures, powers of a proxy, explanations, definitions, laws and explanation of laws, how to use a proxy, voters rights, rights of the Board of Directors, solicitation and quorum. This packet shall accompany the first mailing of any and/or all of CIRC's proxy solicitations including Annual and Special meetings. |
| 11. | <input type="checkbox"/> | <input type="checkbox"/> | That CIRC shall notify all Shareholders when CIRC is going to abstain from voting on Resolutions submitted by the Shareholder(s) and/or group(s).  |
| 12. | <input type="checkbox"/> | <input type="checkbox"/> | That CIRC shall print all resolutions submitted by the Shareholder(s) and/or Shareholder group(s) without revisions and in their entire context for the Annual Meeting and/or Special meetings and that CIRC allow Shareholders to vote on such resolutions on the CIRC ballot except those clearly against the Laws of the State of Alaska and/or the Federal Government.   |
| 13. | <input type="checkbox"/> | <input type="checkbox"/> | That CIRC shall set a definite date, time and place for any Shareholder meetings and notify interested parties three (3) weeks in advance of any mailings by CIRC. CIRC (To allow Shareholders equal time to prepare their materials for mailing).   |

OTHER BUSINESS

- |     | YES                      | NO                       |   |
|-----|--------------------------|--------------------------|---|
| 14. | <input type="checkbox"/> | <input type="checkbox"/> | That CIRC shall provide a schedule of the Board of Director Meeting(s) and an Agenda of such meeting(s) in the CIRC Newsletter. (To allow Shareholders ample time to write letters, make phone calls and/or request time at a Board Meeting).   |
| 15. | <input type="checkbox"/> | <input type="checkbox"/> | That all Long Term and/or short Term Profit Sharing, bonuses, increases in salary of CIRC management, and changes in the Board of Directors fees shall be brought before the Shareholders for a vote and/or ratification (approval)   |
| 16. | <input type="checkbox"/> | <input type="checkbox"/> | That CIRC shall begin the process of listing appraised values of CIRC lands and natural resources and set a date of completion of the process   |
| 17. | <input type="checkbox"/> | <input type="checkbox"/> | That CIRC shall bring all legislation affecting the shareholder rights and stock values to the Shareholders for a vote before the legislation is submitted to Congress and/or the State of Alaska.  |
| 18. | <input type="checkbox"/> | <input type="checkbox"/> | That CIRC establish in 1995 a grievance committee consisting of two (2) Shareholders two (2) Board of Directors, two (2) members of CSC, two (2) members of SFCF, and three (3) non-affiliated Shareholders, to decide if any legal action ad/or and/or lawsuit can be initiated against any Board Member and/or Shareholder. |
| 19. | <input type="checkbox"/> | <input type="checkbox"/> | That all Annual Meetings shall be firmly set on a Second Saturday in May and the limit of the Board will be restricted to natural disasters and Special meetings shall be held on a Saturday and Proxy deadlines shall not fall on a legal Holiday.   |
| 20. | <input type="checkbox"/> | <input type="checkbox"/> | That all proxy deadline dates for Annual and Special Meetings shall be set on a legal working day.  |
| 21. | <input type="checkbox"/> | <input type="checkbox"/> | That CIRC shall set the place of all meetings in a location where there is ample parking facilities (To prevent parking tickets and injuries from icy conditions).  |
| 22. | <input type="checkbox"/> | <input type="checkbox"/> | That a poll shall be published and sent to the Shareholders, stating how each individual Board member voted for the above twenty four (24) resolutions at the Board Meeting.  |

In their discretion, the Proxyholder(s) is (are) authorized to vote upon such business as may properly come before the meeting, or any adjournment thereof. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Cook Inlet Region, Inc. and Proxy statement dated April 13, 1995 and expressly revokes any and all proxies heretofore given or created by him or her with respect to shares of stock represented by this proxy.

X Date \_\_\_\_\_, 1995 X \_\_\_\_\_

month day DATE Please place your signature on the above line SIGNATURE  
For myself, for the person for whom I am custodian, the person for whom I otherwise have voting power (Please sign your name exactly as it appears on your stocks). If you are signing as a custodian for a minor, sign your name, not the minor's.)



CONCERNED SHAREHOLDERS FOR CIRI

P.O. BOX 266 KENAI, ALASKA 99611-0266

continuation OF PROXY for the 1995 Annual Meeting.

The following shareholder resolutions will be offered by the participants as of April 4, 1993, or adjournment thereof, to be held May 19, 1993 at the Engwa Center. YOU MUST SIGN AND DATE THIS PAGE IF YOU WISH TO VOTE ON THE FOLLOWING ISSUES.

The following will be voted yes unless otherwise marked

- 23.  YES  NO That CIRI limit the term of office of Board members to three (3) terms and/or (9) years.
- 24.  YES  NO That CIRI shall return to the original Proxy and/or provide space for Shareholders to fill in the Proxy holder of their own choosing.

The following are resolutions submitted by "Shareholders For CIRI's Future".

If you wish to vote on the below issues, please mark them clearly. CSC will abstain from voting on the following issues unless otherwise marked by the Shareholder. These Resolutions have been submitted to CIRI, the State of Alaska and CSC. To allow Maximum Participation we have included them. The following Resolutions are not necessarily the opinions of CSC. Resolutions below advisory to the Board.

- 1.  YES  NO That this petition for the Resolutions be included on the Annual Meeting Agenda and that the Board of Directors act upon those resolutions immediately.
- 2.  YES  NO That there be absolutely 100% NOIs distributed to shareholders "immediately" upon receipt.
- 3.  YES  NO That there be 50% of Broadcast sale proceeds to be distributed to Shareholders "immediately."
- 4.  YES  NO That there be election reform, secret balloting and expenses of candidates paid
- 5.  YES  NO That NO Officer can sit on the Board of Directors position of CIRI or its subsidiaries or non-profits.
- 6.  YES  NO That there be a Full Disclosure and justification of why managers salaries, bonuses to include but not limited to any other forms of compensation's are so high. Show actual figures year by year for the last 5 years.
- 7.  YES  NO That all Management and Officers take a 66% pay cut from current levels.
- 8.  YES  NO That all compensations, salaries, bonuses and benefits be approved by the Shareholder votes only.
- 9.  YES  NO That a Shareholder Relations Committee be created to inform and be informed on shareholder services and needs. This Committee is to report directly to the Board of Directors for action.
- 10.  YES  NO That there be training programs for shareholders to be educated in Directors and Officers responsibilities and liabilities for profit and non-profit positions.
- 11.  YES  NO That CIRI comply and register with State of Alaska under the Securities Exchange Commission, the Investment Corporation Act of 1940 and the Security Act of 1934 for Shareholder Protection and Rights.
- 12.  YES  NO That there be elections by shareholders for ALL non-profit Board seats and positions of subsidiaries.
- 13.  YES  NO That there be an immediate external investigation audit of CIRI and all its subsidiaries.
- 14.  YES  NO That issues that affect shareholders rights and stock values be brought to a vote before any Federal or State legislation is sought.
- 15.  YES  NO That an open ballot be established and Management States of candidates be eliminated.
- 16.  YES  NO That CIRI ballot voting be made secret (No names on ballot)
- 17.  YES  NO That in the second paragraph of the "Board of Directors Policy Statement Disclosure of Information," be amended after "any party" to add: "excluding CIRI Shareholders."
- 19.  YES  NO That CIRI shareholders desire more active participation in the election process and whereas an open slate will be a fair and accurate, less complicated and less costs for and open slate. Whereas we are aware that other corporations have established open slates for board vacancies for re-election
- 20.  YES  NO CIRI shareholders recognize the need for jobs to provide the needs required to support themselves and their families. Therefore, CIRI Corporation and its subsidiaries are required to provided contracts have one year to come into compliance with the 20% requirement for CIRI shareholder jobs.

In their discretion, the Proxy holder(s) is (are) authorized to vote upon such business as may properly come before the meeting, or any adjournment thereof.

DATE X \_\_\_\_\_, 1993 SIGNATURE X \_\_\_\_\_



cc: Pete KottBeverly Masek  
officeRe: HB 251

\* Alaska Civil Liberties Union  
Box 201844  
Anchorage, AK 99520

April 7, 1995

Litigation Committee:

My name is Joan Mantei. I received your telephone number from Representative Beverly Masek's office yesterday. There was the feeling that you may be able to help with a very serious issue that has come before us. I attended two hearings on House Bill 251, *An Act relating to Native corporations*, on March 27 and 29. This appeared to be a very pro-corporate management bill, and the contents were surprising, as some extreme legislation was put out there so suddenly, without the knowledge of Alaskan Natives, although it was to affect all 75,000 Alaskan Native tribal members in the state of Alaska. I am one-quarter Athabascan-Tsimshian, and a shareholder of Sealaska Corporation.

After hearing the two days of testimony, the tide of which went against the legislation (all but one Bering Straits board director opposed the bill), and the sponsor statements of Representative Masek; William Williams; and Fileen MacLean, I became very concerned at the discriminatory nature of the legislation. There was Sealaska Corporation, the Southeastern Alaskan Native regional corporation (15,770 Native shareholders), and Cook Inlet Region, Inc. (CIRI, approx. 6,000, significantly smaller) who claimed responsibility for drafting the legislation. In all this introduction, and sponsor statements, I noticed there was not one entity present to speak on behalf of the Alaskan Natives in the state. Representative Masek's office felt that you may be able to help. It seems as though a larger, rich entity is swooping in to take away the rights of a minority group, or create a law that has an adverse affect on them. It is for this reason I would like to send you a copy of the legislation, and a short analysis, to see if you can help us with this very urgent matter. Mark up is taking place Monday April 11th on the Labor & Commerce Committee.

These two pro-management corporations never allowed one Alaskan Native full disclosure of exactly how this legislation would affect each one of them, or for them to be part of the drafting or any educational process. The legislative intent, according to the two corporations, was to get control of "dissident" Native shareholders. But, this legislation affects the rights of all Alaskan Natives, each section of it significantly.

Congress enjoys nearly unfettered discretion in fashioning aboriginal claims settlements (See Cohen's *Handbook of Federal Indian law*, 3-7, 12-13, 22, 1982 ed), as long as the settlements reflect "Congress's unique obligation toward Indians" and do not violate their constitutional rights. What we have before us with HB 251, is a bill introduced into the Alaska Legislature on March 15, 1995, which affects Alaskan Natives and that I can see, there is no one defending fully the rights of the Alaskan Natives.

The bill itself seems to be taking state corporate laws, and trying to subject the Natives to the whims of the board of directors, as though the board "owns" the corporation, as opposed to those with the shares owning it. It also wants the Natives to not be able to remove them "without" cause as Alaska Statute presently determines any corporation owners in the state, Native or non-Native can. There is not a corporation in this state that would not grab to the opportunity to pass legislation that gives them total controlling power of the corporation like this does, if they knew they could. Yet, the corporations responsible for introducing the bill are stating that the petitions are causing them to loose out on business investors (Sealaska Corp. has had 3 recalls in 25 years, I don't have any statistics on CIRI); and that the petitions to them are frivolous in nature. I know that a lot of the Natives that testified, testified to the affect of "loss of Indian lands to a corporation . . . loss of culture . . . Native people disappearing because of no land to exist in common bond as Natives are uniquely bonded to this land," etc. These just don't sound like frivolous tribal issues. I also know that there are many businesses waiting at the door to take our settlement money as 'free' in the form of very high wages for services, that the Native corporations have become so accustomed to giving away, although we want it stopped.

I talked with some people that testified at the hearing. They had a petition going on right now, that had begun September 22, 1994, so has been in effort for over six months. They have so far acquired approximately 6,000 signatures (they need 1,577, which is 10% of Sealaska Corporations 15,770 Native

shareholders, and only \$3,511.00 to work with. There is interest, but the Natives are rated those with the lowest income in the state, they cannot get enough money collectively. The present law reads that there is no limit on how long you take your petition to get done once you register it with Bankings & Securities (Dept. of Commerce). It takes a minimum of \$7,000.00 to petition the Native corporation on any Indian issue as the law stands now, including all mailing of items, and proxy materials. These two corporations want to increase the state law of 10% to petition for a hearing of their Indian issues by the corporation (special meeting), to 25%. A small corporation like CIRI may be able to handle the 25% requirement, but not the size of Sealaska. Their legislation states that they also want to give the Natives only 90 days to complete a petition, and then it is considered invalid if it isn't finished. I believe this is creating an adverse law on a minority group of Indian people. This legislation comes at a time when the Natives are thirsting for change, in their closely-held elections, and in the Indian land issues. I feel the Indians are going to suffer for years if this legislation is passed, and they have just now come out of darkness and non-participation in matters that affect them. It is really going to hurt these Alaskan Native tribes if this legislation passes in any form.

There are severe penalties issued against Alaskan Natives in this bill, such as one to five year prison sentences, \$2,500 to \$25,000 fines. This is likened to if one of the Natives wrote a letter to the Juncau Empire, and it had an error, they could be issued a \$25,000.00 fine, when non-Natives are not subject to such severity. The inability to remove a board director without cause, as state law now states they can, is also a far reaching step away from ordinary corporate law. Why would just the Natives be subject to such a thing? What organization in corporate America would not be interested in obtaining such a privileged law for themselves if they knew they could through such legislation? The Alaskan Natives are feeling very discriminated against at this time, and really have no one to defend them. Would you be willing to give me an analysis of this bill, and to tell me if you would be willing to assist the Natives battling this in Juneau? Things are happening so fast, and the corporations found three pro-management Native people to sponsor the bill. These three also are on the rules committee, where the bill would go next if someone were actually to miss some of these strange things this bill is asking for. One of the pro-management sponsors is the chair of the rules committee. This may be a very severe thing to impose on all Alaskan Natives, I believe it is time for careful alliance, where we can find someone has not been persuaded, in some obscure way, to not listen to the Indians that are directly affected by this. We have sought the assistance of other Native House representatives, and anyone that we can. Representative Beverly Masek's office has been most helpful to us in directing us to you. Can you help the Alaskan Natives? They don't have any money, and could use some technical expertise. I feel the Alaskan Natives are going to need leniency on the part of the legislatures regarding this matter, because they are there to defend themselves alone.

We are treating this like a very serious emergency down here. Time is literally of the essence for Alaskan Natives. I am hoping that you can respond to me at the very soonest possible time. There is another Labor & Commerce committee meeting scheduled for Monday, April 11th. I am trying to take care that nothing more happens that is detrimental to the Alaskan Natives, by contacting you. My options are few, as this was introduced so suddenly. But, I want to help. I am also concerned about the many Alaskan Natives that are members of these corporations, and are living in other countries or states. Would amending such Alaska state laws affect these non-residents differently? Or would that fall under intercommerce law, which takes federal approval? Because the legislation tampers with the only vehicle Alaskan Natives have to accomplish their goals within their Congressionally ordered compensation to their Alaskan Land Claims Settlement, I am really concerned that they don't shut the voice of the more feeble, older Alaskan Natives, who are still waiting for their Indian land from the Land Claims Settlement. This seems to me to fall under creating an "adverse" law on a minority group.

Here is an October 7, 1994, statement that I have by Senator Murkowski, "In passing ANCSA, Congress created a settlement mechanism that called for the establishment of Native corporations . . . intend[ing] these corporations to be the vehicles through which Alaska Natives could use their settlement resources . . . Furthermore, Native corporations have served an important role as stewards of the ANCSA lands. These lands are an essential element of the traditional Native culture and way of life."

I am a Sealaska Corporation shareholder, I have never got to use that "essential element of traditional

"Native culture and way of life." There is nothing I want more in the world, than to go back to that bonded-to-the-land way of life that my grandmother and family taught me. But, in my heart, I feel like my grandmother did: "Very sad, like our Indian way of life and land is gone for good." Although I am not a part of any recall group, I do enjoy trying to accomplish good things in the realm of Indian issues, having been raised very close to my full-blooded Indian grandmother. This legislation affects all Alaskan Natives although they are not "dissident" or recallers. I would hate to take the hope these old Indians have for their land for traditional Native culture and way of life, and diminish it for good. There are those that are still holding out, holding on, trying, and fighting for what is theirs. They all believe that they are going to die and not see their Indian culture survive, and their Indian land, and I watched my grandmother die without it. She believed she would get it, yet Sealaska Corporation does not want to give it to the Indians. So what really are these two corporations doing with this legislation?

No Native group has EVER been able to petition effectively for change in their corporation, and board removal laws to protect Native shareholder owners, have never worked for them. No board has ever been recalled. The present system is impossible for Native owners. So, they never get to accomplish their Indian issues, when a corporation has strayed from them. The law states that removal can only be accomplished when they have the vote of 1/2 of Sealaska's 15,770 shareholders, plus one. Only about 9,000 vote each year (per my Sealaska Corporation newsletters to me). There are usually a ton of Sealaska share owners that openly admit to not even reading Sealaska's mail anymore, because of the unfair elections and closed ears, the superficial conduct of the board towards them (I know of only one Sealaska board member that has been kind to us). I believe the laws should be softened up, and not hardened, so that they read 50% plus one of the number that voted at the last meeting. The present law is difficult enough as it is. CIRI's chief executive officer, Roy Hundorf, suggested that no recall has ever succeeded, that they are just wasting money - and that is why their legislation should be passed. I suggest that the present process is already not working for Indians, and should be leveled out for the Alaskan Native tribes, with no self-monitoring allowed for Sealaska Corporation, but the state to be the regulator, as it is now.

I believe the media should become involved in the shabby treatment the Native tribes have often received at the hands of these corporations that were suppose to serve as stewards for their Land Claims Settlement. There is enough mistreatment at the hands of these corporations, that a lot of video tape at some of the meetings has been recorded. If you know of any major television networks that may be able to help them, or telephone numbers, fax numbers, and addresses to places like 60 Minutes, CNN, etc., the Alaska Natives sure would appreciate the help.

I hope you will be able to assist us in this very important time of need for Alaskan Native tribes. Please get a hold of me at the soonest possible time.

Sincerely,



Joan Mantei  
Box 34711  
Juneau, AK 99803-4711  
463-7351-w 586-3506-h c/o 586 8970 fax

01 18004781432 x 3151

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

March 30, 1995

Dear Mr. Kott:

*Pete  
 I would like to submit my  
 name for participation @ next  
 Wednesday hearing*

I really want to thank you for your patience with our people. I have had a thousand emotions, from very sad, to horrific when I think about the issues before us, and the perceptions that the Indian people have of the situation at hand. I drove home from the hearing last night, and I felt a lot about what the Claims Act made us think when we were teenagers, how we thought we were all going to have Indian land - and it scared me what had become of the Claims Act. We feel it passed out and away from us, that we are required to treat it as a dead person, gone to be forever never more ours, it has left us - to us there is deep loss, it is to us as though it was taken. Why, I wonder, have the Indians been afforded such treatment throughout our history? The race really is suffering at all levels, there is great distress in the Indian people. It really does get the Indian people down, they feel like they are worthless, like they are nothing in the scheme of things. I will show you an example of how they treated my family even in the earlier years. Attached is the baptism record of two of my ancestors. All of the history of my tribe came from "Chief Quia." Whatever we have left of our beautiful and unique history, passes before our very lives due only to him. But, he was written down in history as a "HEATHEN," as you will see on the document. He was the last chief of the once powerful tribes of Zitz Zaow (Tsetsaut) Indian Tribes of Portland Canal where Canada and Alaska divide.

The Zitz Zaow are the most westerly Canadian Athabaskan tribe. My son's name is now Chief Quia. My tribe is now near extinct, and I own, with my family, Tombstone Bay, Alaska. This is five acres of the last historical encampment of my tribe. Most of the last remaining elders are buried there, laid to rest until another time. My grandmother's grave was placed there a year ago. I look out at their graves when I am there, and I am very sad. I can't believe that a whole race of Indians are gone. Our people feel like survivors of a holocaust, Indians wiped out likewise looking on mournfully at the dead in their graves, the Indian way of life lost. I will not let my ancestors be forgotten, and what they have done for us. My mother too was raised there. I am the first generation to not have been raised there. We know great things because of Quia and my small handful of relatives that survived in the early part of this century. I am writing a book on my tribe called, "Veritable Children of the Forest," due to this encroachment, this loss of people and loss of Indian land. There are people that truly put their heart before you and when something means that much to us, with such a few listening we don't know what to think. I would like you to consider my name for working on the bill next Wednesday at 3:00. I know you would like names for the meeting, and I would like to be one of them for your consideration. I am an original Sealaska Corporation enrollee from 1971, and I have followed these issues and the issues of HB 501 all the way through. There are very good people that we would like to get on there Wednesday, as opposed to someone that may not be as sensitive to Indian issues. I am concerned that the Indians get good hearted people, that we know and trust to be good to Indians, on there for them.

I know you spoke of Joe Wilson, but I think that it is important for you know, many of us asked him to attend the hearing, including myself, and he wouldn't even show up. I called him the evening before the first hearing, he is here in town because my friend sees him at the pool each morning and evening. Others told me today that they called him too. I was at the hearings all the way through, and I can tell you that he never testified, he never entered the Capitol building, he never came. I believe he has chosen to get on with his life. There were problems at the hearing with the House Judiciary Committee and him last year, in that he did not speak up enough, even though pressing issues were on the floor regarding the first draft of this legislation, done by Sealaska Corporation under the guise of HB 501. Many times the minutes reflected an issue on the floor, and no response offered from Mr. Wilson. We want people that are going to follow the issues, and remain serious to the difficulties imposed to the Indian people. I strongly feel that Dorothy Zura should be there.

I received a small card from Kim Elton today stating that it was his sense somehow that the bill was going to pass out of the committee. We don't know how much it truly costs to have a bill introduced in the material sense. Is it possible that this bill was somehow a done deal in hidden ways and agreements reached amongst some of the committee members before we even arrived? We know that Native settlement money was used for the introduction of this legislation, but we don't have insight into how these things work, and what it truly takes to get someone to introduce a bill.

It really makes us sad when the welfare of so many Native Indian people is before us. There are approximately 75,000 Indians in Alaska, and there are 15 Sealaska Corporation board directors. For an example to you, the decisions of these directors on the corporation, affects in fact, the 75,000 Natives, yet the feeling is that these managements have so much power with our money. I heard Native after Native oppose this legislation, especially it being introduced with Native Settlement dollars and without the Indians' input first being sought out by the two corporations responsible for this. This disturbs me, because the 75,000 Alaskan Native Indians are the very people directly affected by this legislation this small number of management members' are introducing. We are never asked how the money will go, it just goes and goes and goes. That is why the Native Indian people are upset. They are never included on anything the corporation does. Therefore, their culture and land issues have never been resolved, and we really are feeling we will all die without anything being heard. Our needs have been falling upon deaf ears for quite some time now. The Indian people feel like they are in kind of a bondage due to the corporations.

Can you let us know what kind of decision you make about who will get to participate at the hearing on Wednesday? We are really nervous, and we want to know what to expect, and how to prepare and who to prepare with our concerns, our welfare, and the welfare of all the Alaskan Native Indians. We can't know such things if we do not know who you choose for the participation. For now, I am interested in the participation, and I hope that you will consider me for this. I am very compassionate for Indian people, having been raised very closely with my full-blooded Zitz Zaow Nisga'a Indian grandmother Gesch ash w'gt (C gwot). Remember, a board member is not the only one intelligent on Indian issues, the Indians themselves can tell you a lot, and are very happy to be involved. I can motivate with Dorothy Zura to try and work these HB 251 issues through should you choose me also. Dorothy and I talked tonight, and she was alright if you chose both of us; but beyond a point of desperation for the moral justice and welfare of the Indian people, our Indian people importune you to pick Dorothy Zura regardless. Whatever you do, please let me know what you decide so we can all collectively decide together what to do before the hearing as a group. That way, we won't feel that the non-Natives and management are running away with these important issues on us, having no point of contact for our representation at the table next Wednesday.

I thank you, really, for all your generous patience that you have shown. I noticed the good control which appeared to be an effort to understand, that you displayed at the hearings, hoping that you would remain sensitive to the poverty and loss of Indian land and culture the Indians have, and are suffering. For now, I will leave you with a poem from a chapter in a 1915 book on my tribe, *In the Wake of the War Canoe*, that reminds me of my grandmother so, and my great great grandmother, and all of our tribe and people:

#### Light For The Forest Child

An outcast though he be; from the haunts where the sun of his childhood smiled,

and the country of the free.

Pour the hope of heaven, over his desert wild, for what other home on earth has he?

Joan Mantel

Box 34711

Juneau, AK 99803-4711 463-7351 8-4:30 M-F/586-3506-h

Joan Mantel

*I thought it would help to tell you I have had to work with Sealaska, Bob Hoatcher, Sam Kito, etc over the last year on some landless legislation. I'm familiar with Sealaska's people and feel this may help bridge the gap between the people.*

No	Age	Homeless Name	Trade	Prob. Age	CHRISTIAN NAME	Date of Exp. in	By Whom	Remarks
179	30	Washing work	Washing work	30	Joseph of Nazareth	Feb 11, 95	W. H. Colburn	Confirmed name this
179	36	Blacksmith	Blacksmith	36	Thomas Thompson	Aug 27, 95	W. H. Colburn	Do Do
179	40	Blacksmith	Blacksmith	40	Mary De-greaves	Sept 2, 95	A. H. C.	We own family who live at office entrance near the
179	31	Blacksmith	Blacksmith	31	David Rogers	Sept 2, 95	A. H. C.	Magister of school
179	40	Blacksmith	Blacksmith	40	Abigail Davis	Dec 2, 95	A. H. C.	Magister of school
179	40	Blacksmith	Blacksmith	40	Louis Dorey	Dec 2, 95	A. H. C.	Magister of school
179	60	Blacksmith	Blacksmith	60	Frederick Jones	Jan 17, 95	A. H. C.	Magister of school
179	30	Blacksmith	Blacksmith	30	Mary	Aug 11, 95	W. H. Colburn	Magister of school

**James Moulder**  
 (Dorothy)  
 Ha a a-t-a-o is Jane  
 E-jane is my great great grandmother  
 They changed her name, or tried  
 to to Jane when she was 23

3413 Stanford Drive  
Anchorage, Alaska 99508

March 31, 1995

Alaska State Representatives

Dear Representative:

For the last 10 years I have attended the Spenard Community Council meetings. The top two items for discussion during legislative teleconferences were the Landlord Tenant Bill that was passed last year and tort reform.

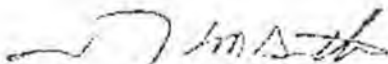
As Bill Gee from Spenard has told you and me so many times that I am sure we couldn't count the times, tort reform will probably bring as many jobs and economic development to Alaska as any other area. I thought that if anyone could ever get all the work accomplished and a bill to the floor that it would have overwhelming support. I was appalled that it did not have the votes for passage.

Brian Porter, if this bill were to pass, should be given the Alaskan of the Year award because of the benefits it would bring to Alaska. I can not believe that it would fail so that a few trial lawyers can continue to pad their pockets. I have heard several law makers, on the news, talk about the rights of people to deserved damages. One of my employees recently was a victim of a wrong doer and was given an award over and above actual damages. I saw first hand the pain greedy lawyers caused him and the paltry sum left over once they were paid. People never win, lawyers do.

For those that have not previously supported Brian Porter's bill for tort reform, I ask that you reconsider. Consider the good it will do for all Alaskans, not the harm it will do a few lawyers.

Thank you for your consideration.

Sincerely;

  
Thomas J. McGrath  
(907) 562-8730

**HB**

**251**

**(File 2)**

TO: STATE OF ALASKA LEGISLATURE

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

DATE: MARCH 28, 1995

THIS MEMO IS A FOLLOW-UP TO ONE SUBMITTED BY ME MARCH 27, 1995 REGARDING HOUSE BILL #251. THE FOLLOWING REFLECTS MY OPINION ACCORDING TO INFORMATION I HAVE RECEIVED AND REVIEWED. I FEEL THIS BILL IS EXTREMELY UNFAIR (AND POSSIBLY ILLEGAL) TO THE NATIVE PEOPLE OF ALASKA.

FURTHER, THIS IS NOT "JUST ABOUT MONEY" AS WAS STATED AT YESTERDAY'S HEARING. IT'S ABOUT MUCH, MUCH MORE.

FIRST, THE ELECTION PROCESS THAT IS IN PLACE TODAY APPEARS TO BE BIASED AND UNFAIR. SHAREHOLDERS ARE ASKING FOR ELECTION REFORM TO MAKE ELECTIONS OPEN AND FAIR TO ALL CANDIDATES AND SHAREHOLDERS.

SECOND, WHEN SHAREHOLDERS GO TO THE BOARD AND APPLY FOR SCHOLARSHIPS FOR THEMSELVES, OR THEIR CHILDREN, THEY MAY GET AS MUCH AS \$500.00. IT IS MY OPINION THAT THE BOARD AND THEIR IMMEDIATE FAMILIES AND FRIENDS BENEFIT FROM BETTER, HIGHER MONETARY VALUED SCHOLARSHIPS. A CASE IN POINT IS THAT MY HUSBAND AND I HAD TO SEEK COMPLETE FUNDING ELSEWHERE FOR OUR DAUGHTER'S EDUCATION.

THIRD, WHERE IS THE LAND THE SHAREHOLDERS WERE PROMISED?

FOURTH, HOW DO SHAREHOLDERS FEEL WHEN THE BOARD PULLS DOWN \$250,000.00 (TWO-HUNDRED FIFTY THOUSAND DOLLARS) PLUS BENEFITS A YEAR, WHEN THE SHAREHOLDERS CANNOT EVEN FEED THEIR CHILDREN WELL? THE QUESTION WAS ASKED OF A WOMAN BOARD MEMBER BY A HEARING BOARD MEMBER YESTERDAY, "THEN, IT'S A QUESTION OF THOSE WHO HAVE, AND THOSE WHO HAVE NOT?" THE QUESTION WAS ANSWERED POORLY BY THE WOMAN WHO WAS TESTIFYING. THEN THE BOARD MEMBER SAID SOMETHING TO THE EFFECT THAT HE COULD SEE IT RIGHT HERE IN THIS ROOM OF THOSE WHO HAVE, AND THOSE WHO HAVE NOT. IT WAS VERY CLEAR AND OBVIOUS THAT THE SHAREHOLDERS WERE THE HAVE NOTS.

FIFTH, WHY DO THE BOARD MEMBERS RECEIVE SO MUCH IN MONETARY AND OTHER PERKS WHEN THEY HAVE 100 SHARES JUST AS EVERY OTHER SHAREHOLDER? THIS IS NOT A CASE OF A LARGE CORPORATION, WHERE THE ONES WITH THE MOST MONEY INVESTED HAVE THE MOST POWER; THESE SHARES ARE ALL SUPPOSEDLY EQUAL. A RUMOR HAS IT THAT THE BOARD VOTED TO GIVE THEMSELVES A \$10,000.00 BONUS (?) AT CHRISTMAS. THIS WAS SUPPOSEDLY A "CHRISTMAS BONUS," BUT IT'S MY UNDERSTANDING THAT THE \$10,000.00 WAS CALLED SOMETHING ELSE BY THE BOARD. THE STAFF RECEIVED \$1,000.00 FRED MEYER GIFT

CERTIFICATES FROM THE BOARD. A \$30,000.00 TABLE WAS PURCHASED FOR A MEETING.

SIXTH, IN 1987 THE SHAREHOLDERS WERE TOLD IN A CORPORATION'S ANNUAL REPORT THAT THERE WAS \$360,000,000.00 (THREE-HUNDRED SIXTY MILLION DOLLARS) IN NET OPERATING LOSSES (NOL'S). AT THAT TIME EVERY SHAREHOLDER COULD HAVE RECEIVED \$2,000,000.00 (TWO-MILLION DOLLARS) AND STILL HAD SOME NOL'S MONEY LEFT. THIS WOULD NOT HAVE EVEN TOUCHED THE CORPORATION'S FINANCIAL STRUCTURE.

IT IS CONFUSING TO ME AND OTHERS WHY THE STATE IS INVOLVED IN TRYING TO PASS LAWS THAT PERTAIN TO NATIVE CORPORATIONS IN THE FIRST PLACE. WHAT LEGAL INVOLVEMENT DOES THE STATE HAVE HERE? IF THE STATE IS MAKING THESE KINDS OF LAWS, WHY DO NATIVE CORPORATIONS NEED A BOARD? DOES THE STATE HAVE A LEGAL RIGHT TO REGULATE NATIVE'S VOTING FREEDOM? MANY VETERANS IN ALASKA ARE OF NATIVE ORIGIN. THE ALASKA AMERICAN LEGION AND VETERAN'S OF FOREIGN WARS MIGHT WELL BE VERY INTERESTED IN LOOKING INTO WHAT THE LEGISLATURE IS TRYING TO DO IN THIS PARTICULAR CASE, NOT TO MENTION THE CIVIL LIBERTIES UNION, ALSO.

YOU WERE ASKED TO INVESTIGATE THIS HOUSE BILL #251 THOROUGHLY BEFORE YOU ACT ON IT. AFTER CAREFUL INVESTIGATION, I BELIEVE YOU WILL FIND THAT YOU HAVE NO ALTERNATIVE BUT TO VOTE "NO" ON HB #251.

THANK YOU FOR YOUR VALUABLE TIME AND CONSIDERATION OF THIS IMPORTANT MATTER.

## **SHAREHOLDERS FOR SHAREHOLDERS PLATFORM FOR CHANGE FOR THE BETTER**

- **We are endorsing 100% distribution of NOL monies to Sealaska shareholders.**
- **We support 100% distribution of the funds held in the permanent fund to be distributed to Sealaska Shareholders.**
- **Having the candidates with the highest votes elected.**
- **No attorneys or consultants employed by the Corporation that would threaten shareholders.**
- **No paid proxy workers.**
- **No campaign expenses paid for by the Corporation.**
- **We want to put in new leadership that will run a lean, mean corporation that will cut back on extravagant spending and will work for the good of the shareholders.**
- **We want a Board that will allow us the choice to vote for or against 100% distribution or for or against a permanent fund of our NOL money when it becomes available.**
- **We want a Board that will allow discretionary votes to be distributed evenly among all candidates.**
- **We want a Board that will do away with Management Board slates.**
- **We want a Board that will put all candidates names on one proxy card.**
- **We want a Board that will support fair elections.**
- **We want a Board who will have an independent party run all elections rather than having the Board of Directors run the elections themselves.**
- **We want a Board that will be concerned about how to include our children and newborns in our corporations.**
- **We want a Board that will be concerned about our elders.**
- **We want a Board that is in favor of ELECTION REFORM that will make elections equal and fair for all shareholders!!**
- **We want a Board that will treat ALL SHAREHOLDERS EQUALLY!!**

### **Questions:**

1. **What about the other \$34 million owed to the shareholders from the sale of Ocean Beauty Seafoods?**
2. **How much was the "out of court settlement" with the FDIC re: the United Bank of Alaska?**
3. **How much was the settlement with Kake Tribal Corporation?**

## **Why do we want a recall of the Board of Directors of SEALASKA?**

Over 20 years ago, our parents and grandparents fought the United States Government to obtain the Land Claims Settlement Act. They had a dream that we, the people, would have a better life. We put our money together, and had rummage sales and food sales to make money to send our representative to Washington, D.C. to fight for the land. Because of our fight and victory, we now own land and we are a profitable corporation.

It has now been over 20 years since the passage of the Alaska Native Land Claims Settlement Act and we, like our parents and grandparents, are putting our money together to try to win the control of our corporation. This time, our fight is not with the Federal Government, but with our own leadership, the present Sealaska Board of Directors.

It is unfortunate that the Native Corporations were not designed with the shareholders in mind, but instead its elected officials are allowed to make the rules to suit their needs by resolutions. Our problem is that the leaders of our corporation have placed themselves beyond our reach. We are not listened to by our elected Board of Directors.

This recall must take place because neither the State of Alaska nor the Federal Government will get involved in the business of Native Corporations. It is up to the shareholders to take back what belongs to them. By law, we cannot recall a portion of the board but the full Board of Directors. Some of our elected leaders have the best interests of the shareholders in mind, and some don't.

Consider some of Sealaska operations for the past 23 years. According to their own financial reports, it is apparent that there is enough earned revenue to continue operations without the NOL monies. Their claim that a 100% distribution will put them out of business is false and misleading. The Corporation has no rightful claim to NOL money!

The same applies to the Permanent Fund which the shareholders did not want in the first place. I have not found one shareholder that admits to voting for the establishment of a permanent fund. The law clearly states that a permanent fund cannot be established without a 100% vote by shareholders.

If we do not succeed in this recall, a majority of our directors will continue to reap the benefits of our money and we will continue to be a poor people with no say. We believe that it is important to make money for our corporation rather than be flamboyant with the money that belongs to the shareholders.

We have a team of shareholders working for and with you. We cannot fight this fight alone and we ask for your help, support, and suggestions.

**"WE WILL WIN THIS ELECTION!"** We encourage you to get involved and help us with your talents. We would appreciate your participation with our group. Like our grandparents, we are dependent on ourselves to win our corporation back from the big spenders who squander our money.

ns board. Many shareholders have  
m: signed our petition and if you have  
us: not yet done so we invite you to  
id: sign our petition.

re The distribution of NOL and  
r- Permanent Fund money to share-  
ld holders will not liquidate the cor-  
re poration. The changes we are  
ad seeking in election reform that call  
ut for a fair election are long overdue  
Is and are reasonable and necessary  
te to restore good faith to the share-  
ld holders, who after all are the own-  
er ers of the corporation.

Shareholders in Sealaska and  
other Native corporations are cap-  
tive shareholders, because unlike  
shareholders in a regular for-profit  
corporation, like Chevron or J.C.  
Penney for example, they cannot  
sell their shares if they became  
dissatisfied with the direction or  
performance of the corporation.

The only recourse or choice a  
shareholder in an Alaska Native  
corporation has under state law to  
bring about change is to recall the  
board.

Shareholders for Shareholders  
has nothing against individual di-  
rectors in Sealaska but as a total  
board they have been unrespon-  
sive to committing the corporation  
to distributing the NOL and Per-  
manent Fund money to the share-  
holders and are not receptive to  
making any changes in election re-  
form that will do away with fraud-  
ulent elections and forged proxies.

Shareholders for Shareholders  
is not dissident shareholders or  
disruptive shareholders - on the  
contrary, members have only the  
best interest at heart for their cor-  
poration's long-term future surviv-  
al.

We believe in our hearts that a  
stronger, more unified Sealaska  
will emerge. Important objectives  
such as profitability, shareholder  
jobs, the landless shareholders is-  
sue, for example, will have a bet-  
ter chance of succeeding.

If you agree with our platform  
we invite you to sign our petition  
and later to sign our proxy and  
take an active part. We welcome  
you to join hands with us and do  
your share in promoting this wor-  
thy cause for the betterment of our  
corporation.

It is guaranteed that you will  
enjoy the fellowship and our aim  
and reward will be a better and  
stronger Sealaska for the future.

The power you have in your  
hand is your vote. Use it wisely by  
joining with us to bring about this  
change for the better.

**Dorothy Zara (Williams)**

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The other day I walked into the  
home office of my colleague Vona,  
who is 70-something and still puts  
in a full day preparing tax returns  
and managing a household. Over  
her desk was a sign that read, "Old  
Age Ain't for Sissies."

Seniors not only have the prob-  
lems of normal aging, but in addi-  
tion Major League Baseball is on  
strike, Joe Montana may retire  
from pro football, the Legislature  
is in session (that should frighten  
everyone), and a few thousand  
Alaska seniors may face the  
choice between accepting their  
Permanent Fund dividend in 1995  
and losing their benefits like Aid to  
Families with Dependent Children,  
adult public assistance and

### Sealaska shareholders ask change for the better

Shareholders for Shareholders  
is endorsing change for the better  
within our corporation that will en-  
sure 100 percent of the net operat-  
ing loss and Permanent Fund mon-  
ey will be distributed to sharehold-  
ers, plus election reform that is  
fair and honest.

Shareholders for Shareholders  
has been soliciting signatures on a  
petition calling for a special meet-  
ing to recall the entire Sealaska  
board and to elect and seat a new

TO: STATE OF ALASKA LEGISLATURE

FROM: JEAN SZTUK, 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.

JUNEAU EMPIRE  
3-26-95

### Sealaska has not helped its shareholders enough

The Alaska Native Claims Settlement Act of 1971 was pushed through Congress with the help of oil companies and a small group of persons who would profit millions of dollars from oil and timber.

First, corporations were formed for each group of indigenous people in Alaska; these corporations were to provide for the social and economic well-being of their shareholders. This has happened to a few of the corporations. But for Sealaska it has not been possible.

We now enter the third decade as a so-called profitable corporation; not to its shareholders but to itself in being able to meet its own

payroll and also bonuses to those in need of more cash.

You, as a shareholder, will receive your one cord of wood per year, two cords if you feel lucky. That is profit from the timber operations sound - good to you?

You, as a shareholder, own land that you will never hold a deed to, or for that matter, you will never see it in your lifetime. Do you not see that this beast is going to consume itself from the inside out until there is nothing?

There is a point in time when you realize that this iron curtain put up by this corporation is going to be there forever. It is none of our business to inquire about business loans or minutes of any top secret meetings or any information that you want from this beast. Our pockets are not deep enough to change this beast.

As for me, will you send my annual cord of wood to the Internal Revenue Service. Also, any other mail to help pay my taxes.

Tim Ackerman

JUNEAU EMPIRE  
3.28.95

Frank Murkowski and Ted Stevens, the landless Natives, foresters, etc., by environmentalists who generalize and portray the situation in light of their own perceptions, not really allowing the Natives to speak for themselves.

I am a Ketchikan landless Native, and throughout my life I wondered where the Ketchikan Indian village was. When I was young, I felt a loss in the unity of our Indian people - even looking for our place - where there was none for us.

Indians are a close people, they are uniquely bonded to this country. We are the survivors of the often horrible things that happened to our grandparents. We witnessed a wounded generation, and I had the privilege of being raised close to one of these very old full-blooded Indian people - my grandmother.

The environmentalists put out the landless issue as though it is just about timber, and they have misled many to believe this is so. I resent having a lot of people looking at Indian people this way, and having environmentalists accusing Murkowski of hiding a timber agenda behind the landless bill.

The intent of the Alaska Native Claims Settlement Act was to allow Indians to use their resources for their way of life, and to help

them toward economic self-sufficiency because they were so destitute. The landless Indians have been faced with some very difficult issues, which, when one looks into them, one would know that it isn't easy to have a new people come to our country, which we have had to fight a very difficult battle to stay players in.

The economic situation in Southeast Alaska has even our Indian people homeless and jobless with the poor economy. Studies have proven that our people are the poorest in the state.

I have seen Murkowski express a desire to help with the hardships the people of Southeast are going through, yet the environmentalists keep strapping him up, without allowing for the voice of hardship to be heard.

I believe the environmentalists are deliberately misrepresenting intentions behind the introduction of legislation for the landless Natives, believing such a portrayal is going to serve their cause.

When you're fighting your cause, be honest about what you say about the Indians, the protected forest, and about one or two senators' concerns. Remember, in the Indian people there is deep loss, and honest portrayal of all is what is fair.

Joan Mantel

### Landless Natives bill is not for timber industry

I have noticed the sweep of letters regarding the bill that came out to help the five Native landless villages of Haines, Ketchikan, Petersburg, Tenakee Springs and Wrangell.

There have been a lot of comments directed toward Sens.

# MY TURN

JUNEAU EMPIRE  
3.29.95

## 'Left-outs' deserve stock in corporations

By RAYMOND A. HOWARD Sr.

I have a long, sad story to tell you. This story regards the issue of "lost shareholders."

My name is Raymond A. Howard Sr. I am a Sealaska shareholder. I have a sister by the name of Linda Jean Richards. All my life I was led to believe that Linda had died when she was 2 years old. I believed this to be true, until I received a telephone call from Linda on Nov. 5, 1991.

I got on the phone and she said she was just trying to find out if she had any relatives living. She was completely unaware that I existed.

I thought she might be a person trying to sell me some books, so I didn't want to talk to her. I gave my wife the phone and told her to talk to her.

Linda told my wife that her natural mother's name is Margret Howard; she gave Margret's birthdate, where she was born, the day she died and where Margret is buried. My wife was writing down all this information on paper, and she motioned to me to read it.

She also told me to talk with Linda because it sure sounds like she may be my sister.

When I got back on the phone, I asked her if her middle name was Jean and she said yes. I then asked her if her birthday was June 5, 1947. Linda asked me how I knew this. I was so shocked, I just couldn't believe what I was hearing.

When I was a youngster, some-

I feel bad when I receive my dividend checks ... because in my heart I know that my sister and my nephews do not get anything from our corporations. They are the "left-outs."

one wrote a letter to my grandparents and told them that Linda had died when she was 2, instead of telling the truth that Linda had been adopted by Donald and Wilma Burgerson from Indiana.

Margret Howard, our mother, left Hoonah after Hoonah burned down on June 14, 1944.

Margret did not have a place to stay. She did work in the Excursion Inlet fish cannery until the fall fishing season was over in September 1944. This is when she decided to go to nursing school in Portland, Ore.

Margret took me to Tenakee so that I could live with my grandparents, Albert and Emma Howard.

She died from tuberculosis Dec. 5, 1951, at a hospital in Chicago where she lived for four years.

My sister and I met for the first time in our lives on Jan. 19, 1991, in Fairbanks.

I will never forget that day - how nervous, tickled, happy and tearful we were. My wife Marie and I made the trip to Fairbanks to meet my sister.

The following year, on March 2, 1992, Linda brought her family to Juneau to meet with me again. I got a chance to introduce Linda,

her husband and her children to our whole family, or at least most of our family.

We held a family reunion at the Alaska Native Brotherhood Hall; there were 250 family members. Family came from Angoon, Tenakee, Kake, Sitka, Seattle, Juneau and Hoonah. Everyone was very happy to have found a long, lost family member. Linda was very overwhelmed with how big her family is in Alaska.

My sister and my two nephews (Linda's sons) are enrolled with Central Council, Tlingit and Haida Tribes of Alaska. They are also enrolled with the Bureau of Indian Affairs.

I know in my heart that if I had only known that my sister was alive when we were enrolling with our regional corporation, Sealaska, and our village corporation, Huna Totem, that I would have certainly enrolled my sister and her children under the Alaska Native Claims Settlement Act of 1971.

I believe in my heart that Linda and her children have every right to be enrolled in the Sealaska and Huna Totem corporations, with the same full rights and privileges

that I get from being a shareholder.

Linda did not know that she or her children were entitled to enroll under the 1971 law. (Linda was born in 1947; her son, Donald, was born Oct. 2, 1965; and Timothy Allen Richards was born Sept. 28, 1969).

I feel bad when I receive my dividend checks from either corporation. Because in my heart I know that my sister and my nephews do not get anything from our corporations. They are considered by ANCSA as the "left-outs," so please consider voting in the left-out shareholders.

Most left-out shareholders have been left out through no fault of their own. I believe that we should vote them into the corporations. I believe there are about 200 or so left-out shareholders living now.

In closing, I would like to emphasize that we should honor and enroll any shareholder who is considered to be a left-out shareholder of the Alaska Native Claims Settlement Act of 1971.

We have cut off our own people who were born after 1971. Why should we forget our lost shareholders who have found their heritage after years of being lost in civilization?

Vote "yes" and let left-out shareholders enroll into ANCSA corporations.

\*\*\*\*\*

Raymond A. Howard Sr. is a Hoonah resident.

PUBLIC OPINION

TO: ALASKA STATE LEGISLATURE

VIA: TELECONFERENCE HEARING ON 3/29/95

FROM: DELICE ALEXANDER-CALCOTE

COOK INLET REGION SHAREHOLDER CURRENTLY SERVING AS THE AD HOC  
CHAIRPERSON FOR SHAREHOLDERS FOR CIRI'S FUTURE

*Speaking of notification CIRI Bylaws were changed in Dec. 1994, the '95  
rec'd 2 newsletters & still no notice of By-law changes has been reported  
to the SHs.*

GOOD AFTERNOON LADIES AND GENTLEMEN. THANK YOU FOR THIS OPPORTUNITY TO TESTIFY AGAINST HB #251. THIS LEGISLATION IS JUST ANOTHER REASON WHY THE COOK INLET REGION SHAREHOLDERS WANT TO RECALL THE ENTIRE BOARD. WITH OUR RECALL PETITION WE ARE ATTEMPTING TO GAIN CONTROL OF OUR CORPORATION. WE WANT TO PUT AN END TO SPECIAL INTEREST LEGISLATION THAT ATTEMPTS TO ALIENATE US FROM OUR LAND AND FROM THE FULL BENEFITS THEREOF.

OUR OWN EMPLOYEES (CORPORATIONS' ADMINISTRATION) ARE SEEKING SPECIAL INTEREST LEGISLATION TO MORE FULLY PROTECT THEMSELVES FROM LISTENING TO THE OWNERS. WE WANT REFORMS SO WE CAN VOTE ON ISSUES. WE WANT AN OPEN SLATE OF CANDIDATES THAT WISH TO RUN FOR BOARD POSITIONS. WE WANT TO VOTE FOR THE BOARD SEATS ON OUR NON-PROFITS. WE WANT TO VOTE BY BALLOTS -- THIS IS THE 90'S. PEOPLE HAVE BEEN VOTING BY BALLOTS MORE AND MORE. BOARD SEATS AND ISSUES ARE PRESENTED THRU THE MAIL AND VOTED UPON BY PUBLIC CORPORATIONS.

WE WANT TO VOTE ON ISSUES THAT AFFECT OUR RIGHTS AND STOCK VALUES BEFORE ANY FEDERAL OR STATE LEGISLATION IS SOUGHT. CIRI ADMINISTRATION CURRENTLY HAS 2 PIECES OF FEDERAL LEGISLATION: HR 421 AND SB 444 TO BUY-BACK OUR STOCK WITH OUR MONEY. WE OBJECT TO OUR EMPLOYEES SEEKING LEGISLATION WITHOUT A VOTE OF THE SHAREHOLDERS FIRST. WE WANT A FULL INDEPENDENT AUDIT OF OUR CORPORATION AND ITS ASSETS BEFORE ANY OFFER IS MADE.

MR. HUHNDORF SAID WE ARE NOTED AS ONE OF THE MOST SUCCESSFUL OF THE NATIVE CORPORATIONS. SUCCESSFUL, AT WHAT -- MAKING US NUMBER MORE POORER?? THE HUGE LOSSES?? MR. HUHNDORF SITS ON THE NBA BOARD -- HOW MANY SHAREHOLDERS OWN HOMES APPROVED WHILE HE HAS BEEN THERE? MR. HUHNDORF SITS ON THE UNIVERSITY OF ALASKA BOARD OF REGENTS. HOW MANY CIRI SHAREHOLDERS HAVE DEGREES THAT ARE COMPATIBLE TO THE JOB MARKET? WITHIN THE SCOPE OF WHAT WE OWN? HOW MANY ACADEMIC PROGRAMS HAS HE ASSISTED IN CREATING TO ENSURE THAT THERE IS NATIVE "SUCCESSSES"? HOW MANY OJT PROGRAMS HAVE BEEN CREATED AND MAINTAINED? WE LEARN BY WATCHING AND DOING -- ITS HOW MANY OF OUR FOLKS TAUGHT US. HOW MANY CIRI SHAREHOLDERS HAVE JOBS ON THE PIPELINE? WITH SERVICE COMPANIES? HOW MANY EVER HAD A JOB WITH THE BROADCAST PROPERTIES WE STARTED BUYING IN 1985 AND STARTED SELLING OFF JUST A FEW YEAR AGO?

WE WANT TO BE EDUCATED AND TRAINED IN THE SCOPE OF WHAT WE OWN. WE WANT A % OF THE JOBS AVAILABLE WITHIN OUR OWN COMPANY AND SUBSIDIARIES AND WITH WHOM WE CONTRACT WITH. WE WANT THE SECURITIES EXCHANGE COMMISSION PROTECTION, THE INVESTMENT CORPORATION ACT OF 1940 AND THE SECURITY ACT OF 1934 TO BE ADOPTED TO PROVIDE SHAREHOLDER PROTECTION AND RIGHTS. *significant*

WE RECOGNIZE THE NEED TO CHANGE. OUR FIRST AMENDMENT RIGHTS OF FREEDOM OF SPEECH; ANTI-DISCRIMINATION LAWS AND MINORITY INTERESTS WILL BE DONE AWAY WITH IF THIS BILL IS TO PASS. I AM TRULY UNHAPPY WITH SEEING THIS DOCUMENT AND I CAN

ONLY SAY THAT THIS IS HERE ANOTHER REASON WHY THE SHAREHOLDERS OF COOK INLET REGION WISH TO ASSENT OUR RIGHTS AND WORK ON RECALLING OUR BOARD. IF THERE ARE BOARD MEMBERS OF COOK INLET REGION WHO WISH TO LISTEN TO THEIR SHAREHOLDERS THEY SHOULD BE ACTIVELY WORKING AGAINST THIS BILL ALSO. HOW CAN A BOARD REPRESENT A PEOPLE IF THEY WON'T LISTEN TO THE PEOPLE?

THERE ARE MANY REASONS WHY WE WANT TO RECALL OUR BOARD. THIS PETITION PROCESS IS TIME CONSUMING, COSTS MONEY AND WE HAVE BEEN ABLE TO CONTINUE FOR THE LAST 10 MONTHS BECAUSE OF ALL THE VOLUNTEER EFFORTS, THE DONATIONS OF STAMPS, ENVELOPES, COPYING, PAPER, MEETING ROOMS, FOOD, ETC. PLEASE HELP BY KILLING THIS BILL.

*Shelie Alexander-Caleste*  
*205 E. Diamond Blvd # 326*  
*Anchorage, AK 99515*  
*(907) 349-1546*



TELECOPY COVER SHEET  
Anchorage Legislative Information Office  
Office - (907) 561-7007 Fax - (907) 562-4376

TO: Rep Kott, Chairman

ATTN: \_\_\_\_\_ FAX: \_\_\_\_\_ PHONE: \_\_\_\_\_

FROM: Anchorage TC PHONE: \_\_\_\_\_

INSTRUCTIONS: Please include the following written testimony with testimony given on 3/29 @ H&C TC on HB 251. Thanks

SENT: Date 3/30 Time \_\_\_\_\_

DISPOSAL OF ORIGINAL: Discard \_\_\_\_\_ Hold for Pickup \_\_\_\_\_

NUMBER OF PAGES: 4 (counting cover sheet)

TRANSMITTED BY: Jean

P.O. BOX-266

KENAI, ALASKA 99611-0266

PH. (907) 283-7748 OR  
FAX (907) 262-5403

March 2, 1995

Mark W. Kroloff  
Vice President & General Counsel  
Cook Inlet Region  
Via Fax Number (907)279-8836

Dear Mark W. Kroloff:

What part of the letter did you not understand? That we request all CIRI resolutions, candidates, ..... for the 1995 CIRI annual meeting? OR, did you not understand, "Your assistance in this matter is greatly appreciated"?

We wrote the letter dated February 28, 1995 on the advice of Banking and Securities. We asked them how we could prevent what happened at the Special Meeting from occurring again, i.e. how Shareholders For CIRI Future were prevented from voting on CIRI resolutions. Mr. Terry Elder told us that we must request from CIRI all resolutions and other pertinent things CIRI would bring forth at the annual meeting, and this is how we could prevent this sort of thing to happen again. Mr. Elder did not give us the impression that it would be a problem.

We are requesting from CIRI when they plan to have the annual meeting, and the all resolutions CIRI plans to present in time for us to meet the legal filing date for filing resolutions and/or proxies. If CIRI is not presenting resolutions then please send us a letter stating they will not be presenting resolutions. In short, we want to be informed in ample time of information pertinent to the 1995 CIRI annual meeting. If CIRI has no intention of complying with our request, please let us know in writing.

CIRI does know about our petition as Ms. Sharon Isaac hand carried CSC petition to Mr. Hundorf. At the same time we mailed our petition to all of the board of Directors. Concerned Shareholders for CIRI (CSC) is filed with Banking and Securities.

Mr. Kroloff, can you tell us what you are Vice President of?

Will you please give us a history of who you are, what tribe you are from, what law firm you work for, and your attitude toward the indigenous people you serve? We also request the amount of money we pay you, salary and other.

Tse Nan,

CONCERNED SHAREHOLDERS FOR CIRI  
WITHOUT PREJUDICE HCC 1-207

cc: Terry Elder, Banking & Securities

P.S. You may address us Concerned Shareholders



... BEING MADE AND BEING OF RECORD. LET IT BE KNOWN THAT CSC HAS GIVEN ADVANCE NOTICE OF INTENT TO run a proxy campaign. CSC has been led to believe CIRI has not resolutions. If CIRI plans to come forward with resolutions, we have hereby asked for them and made every effort to comply with the discretionary law. CSC is now asking for discretionary authority to vote on

any and/or all resolutions submitted by CIRI and not known by CSC in ample time to prepare materials for the annual meeting

Since Congress did not approve the money for the Alaska Native Culture Center, will CIRI take one million dollars of our death benefits, scholarship benefits, and/or personal NOL dividends to compensate the lost of the funds not available for the Native Culture Center?

CIRI would like to give benefits to the shareholders. Has CIRI thought about the consequences of the benefits? Would one share receive the same benefits as 350 shares? Would a person with one share receive a \$2,500 burial fund? Would the person with 300 shares receive \$7,500 burial benefit? Would benefits open CIRI up to lawsuits from both involved parties? Why should shareholders pay for education grants when older people do not need them? If a Shareholder does not agree with those benefits, could he not sue CIRI? If a shareholder did not wish educational money, would his share be forfeited? ...

Robert W. Rude  
14940 Woodland Ave.  
Eagle River, AK. 99577

April 1, 1995

Pete Kott  
Chairman, Labor & Commerce Committee  
House of Representatives  
State Capital  
Juneau, AK. 99801-1182

Dear Chairman Kott:

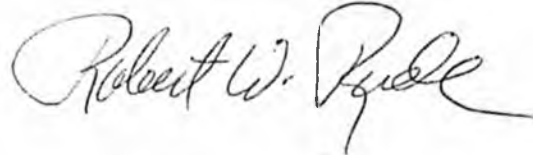
I am sending in a few signed petitions in opposition to H.B. 251. This legislation is discriminatory towards Alaska Native shareholders.

Shareholders do not get to vote or participate in issues that affect their rights or property as mandated in Section 2(b) of ANCSA.

Native shareholders are exempt from SEC shareholder protections, they are exempt from the protections offered American Indians under the Indian Civil Rights Act of 1968, and they do not fall under the same corporate laws that other Alaska citizens do. When the SEC exemption was granted, the regional corporations told Congress they would seek shareholder protections under State law. The regional corporations did not introduce the legislation needed to protect their shareholders.

H.B. 251 has not been disclosed to the CIRI shareholders, and it has not explained to them. We ask that you kill this discriminatory legislation.

Robert W. Rude



RECEIVED  
APR 4 1995

ANS U.....

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".

THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

<u>NAME</u>	<u>ADDRESS</u>	<u>NATIVE CORPORATION</u>	<u>DATE</u>
<i>Walter Rude</i>	<i>1000 Woodland Ave 1000 Woodland Ave 1000 Woodland Ave AK 99517</i>	<i>CEA</i>	<i>8-25-95</i>
<i>Alan R. Rude</i>	<i>2000 Woodland Ave AK 99517</i>	<i>CEA</i>	<i>8-25-95</i>

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".  
 THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
DALE E. RUDE	18645 2nd ST. Eagle River, AK	CIRI	3-28-95
Ronald A. Rude	0001 Middleton #918 Anch	BBNA	3-28-95
Justicia for American Seaman	0001 Middleton Anch AK 99504 P.O. Box 720397	BBNA	3-28-95
Johanna C. Mann	Eagle River, AK 99577	CIRI	3-28-95

April 3, 1995

Sealaska Corporation Board of Directors  
One Sealaska Plaza, Suite 400  
Juneau, AK 99801

RECEIVED  
APR 4 1995

ANS U.....

Sealaska Corporation:

I am writing my letter intent, that the removal of all board of directors, with cause, be put on this years annual election ballot, with a copy to Larry Carroll. I demand that a reply be provided to me, that this is indeed going to be put on the ballot. My request is fully entitled in state law. If you do not reply to me, within five working days, I will seek Larry Carroll out for assistance immediately for your lack of acknowledgement and statement in writing that you are going to carry out the duty of putting my request on the ballot, which I as a shareholder have a right to do. I am putting the recalling of all board of directors before our Native people for the following reasons:

1. The unauthorized introduction of House Bill No. 251, An Act relating to Native corporations. This bill has an adverse affect on our Indian people, and you did not fully inform, nor educate our Indian people with full disclosure of EXACTLY how this legislation would affect each one of them, before introducing it, to affect them. The penalties, indictments, felonies, convictions, imprisonments of 1-5 years, and fines of \$2,500 to \$25,000 are unwarranted, and you didn't have a right in the world to put such things out there to become law, against the very Indian people that employ you, and that you work for. I have never heard of a board making the laws for stock owners, as you have done with this legislation, in my life, but rather, stock owners dictate directions to you.

2. You did not fully investigate the adverse affects this legislation would have on our old and young Indian people, but, rather seem to be making an effort to shut our old and young Indian people out forever. I have been told that the group that has been working for Indian issues this last six months, since September 22, 1994, has acquired only approximately \$3,511.00 to work on their Indian issues with you. They have approximately 6,000 signatures from the six months. It is a lack of money that has held them up, not a lack of support on the issues. To put a 90 day petition limit on these poor Indian people, would make you a permanent dictator at the corporation against our will. To make yourself so privileged as to monitor

our petition process through such harsh legislation, does indeed sound like you are trying to take over hostile ownership of our corporation, as opposed to someone that was suppose to execute decisions that accomplished our wishes.

3. You took our Indian land, and did not care for our old, or our young. We want our tribes to survive - but you made so much money, and didn't even set up a program to feed our elders their Indian foods, which they cannot get themselves. Our culture is waiting at the door of true extinction - but where is our land to freely live our Indian lives and bond with each other as a unique people? We have no land, but a bunch of rich yes men at the top management making their prestige better in the community flashing around our settlement mcney, and their families richer, and our corporation consumes all of these dollars, all of this land AT YOUR HANDS. It is INDIAN land, and does not belong to the Sealaska board, but to the Indians. Why can't we live on it? Where is it? In 1971 we were told we had finally found it - twenty five years later, the fight for it has begun with you this time. WE WANT OUR LAND CLAIMS, our claims to this land from times immemorial. You have taken everything, and forced us to accept such a status with you. This legislation further proves that you are forcing a hostile take over of our settlement.

4. You have never taken an active role to be compassionate and understand our Indian issues, and the loss and exhaustion from trying to get back to our Indian life. Your ears are sewed shut, and our elders are dying. . . where is their Indian life ANCSA promised them? Where is their Indian land? Instead of using our resources for Indian things, you have chosen to fight the Indian issues with something called, "NOL petition process legislation." Why are you still just about money? Why have you not made legislation to save our Indian life instead, legislation to treat our elders good with Indian foods and Indian lands. That is all their every heart's wish was, and ANCSA told us we could have it - but you are holding it far away from us?

5. You lied when you got the job as board members (with the exception of one director {E.K.T.}), that you would be compassionate to our Indian issues. Tired survivors, we cannot take any more years of this. WE WANT YOU OUT!! And especially that Sealaska Corporation legislative committee; board members: Al Kookesh, Rosita Worl, and Pat Anderson.

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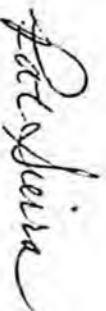
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6. The Sealaska Heritage Foundation, under Dennis Demmert, does not do enough for heritage programs that keep our culture "alive" and in USE. Yet, you give our money to them through an endowment, and thus far have not activated a "survival" plan, but a documentation plan. Yet another activity that causes our extinction, just like you with holding our Indian land from us:

I expect to hear from you within five working days of this letter. This is a warranted recall, as you have not done your job. You have stole our settlement land, you have stolen our settlement money with your prison wall decisions - and now you trying to lock in this hostile takeover by a piece of legislation that you had no right to introduce. If I have to fight you, and all of the injustices that you have created against our people, with everything that I can during my lifetime on this earth, I will get you and your destruction out of that corporation, and our Indian people holding their spirits proud and high again with their Indian land and Indian culture. Our main point of repression as an Indian people, is coming from YOU!!! It has gone on long enough. Before one more elder passes away without their rightful Indian things - we will get you out!



Pat Sierra  
2865 Mendenhall Loop Rd, #A20  
Juneau, AK 99801

cc: Larry Carroll, Bankings & Securities  
Juneau Empire - Dirk Miller  
Pete Kott, Labor & Commerce Committee Chair  
Anyone Else That I See Fit

MARYANN MILLS

9072625406

P. 12

**Concerned Shareholders For CIRI**

P.O. Box 266  
Kenai, Alaska 99511-0266

March 11, 1995

Mark W. Kroloff Vice President & General Counsel  
CIRI Bldg. 2525 "C" St. P.O. Box 93330  
Anchorage, Alaska 99509-3330

Dear Mr. Kroloff:

We did not know Attorney Kroloff had a sense of humor or we would have mentioned our appreciation of your cynical response to our first letter. We are delighted with your ability to discern something from our March 2, 1995 letter.

We notice you did not mention if you were a CIRI shareholder. Are you? Are you retained full time as Counsel for CIRI, and if so, what are we paying you? As shareholders, we feel it is our obligation to be informed of the financial status of all of our ~~shareholders~~ <sup>shareholders</sup>. You are incorrect in stating that we have not disclosed our membership. This is not a concern of yours. Members do not wish to be threatened by legal actions or printed accusations in CIRI mail outs. Your inquiry about who finances CSC is rather redundant. The same people who pay your undisclosed salary are the same people who support CSC. Who else would have an interest in CIRI affairs?!

We have not state what our proxy campaign consists of because:

1. We are trying to avoid the same mistakes that were made at the November 17, 1995 meeting.
2. Mr. Hulndorf stated on March 2, 1995 to Ms. Mills, that CIRI did not have a date set for the annual meeting.
3. You will not properly answer our questions concerning resolutions.
4. We are still researching data needed to conduct our campaign.

We would like answers to the following questions:

1. What is the final date for filing and or presenting resolutions to CIRI for the Annual Meeting?
2. Can CIRI revise or ammend any resolutions presented by the shareholders?
3. Does CIRI have to present the resolutions we submit to CIRI, to the shareholders at the Annual Meeting? (Mr. Hulndorf stated in one of his newsletters that we could present new resolutions in this manner.)
4. Can Shareholders present resolutions from the floor and have them voted upon at the Annual Meeting and or a Special Meeting?
5. If CIRI refuses to give us their resolutions, how can we conduct a proper proxy campaign and be allowed to vote on all resolutions with our proxies?
6. If a proxy states, ".....and on all other matters that may come before the May 19, 1995 Annual Meeting of Shareholders of Cook Inlet Regions, Inc. And any adjournment thereof,

MARYANN MILLS

9872625403

P. 13

with all powers I would possess if personally present", does that allow us to vote on any and or all resolutions that are presented from the floor at an annual meeting and or a special meeting? Does this statement allow a proxy holder to vote on a resolution that may have been omitted from his proxy?

- 7. Does the statement, "In their discretion, the Proxyholder(s) is (are) authorized to vote upon such other business as may properly come before the meeting, or any adjournment thereof," allow a proxy holder to vote on any and or all resolutions that are presented from the floor at annual meeting and or a special meeting? Does this statement allow a proxy holder to vote on a resolution that may have been omitted from the proxy?
- 8. Do both questions 7 and 8 need to be on the proxy statement?
- 9. Will Ciri give us their resolutions in time to do a proper solicitation for a meeting?
- 10. Will Ciri quit using words like "should" when they present a resolution? The proper and fair word is shall.
- 11. According to your letter, Ciri could change meeting dates, candidates and resolutions at their discretion? Does that mean they can change things we submit? If Ciri can change the meeting does this not give them an edge on the shareholders? Is this fair? If CSC spends money to print campaign materials and Ciri revises it, doesn't our material become obsolete?
- 12. Is it correct for Ciri to use Board powers to fight the shareholders?
- 13. Can you provide materials or recommended reading to help us prevent a replay of the November 17, 1994 meeting?
- 14. Can you understand these questions?

We believe under the Equal Prominence Act, we are entitled to this information and the right to have all resolutions we may submit presented at the Annual meeting with out any revisions from Ciri. We also feel we are to receive maximum participation without litigation as we are guaranteed under ANSCA. We will be happy to inform you of our filing for Proxy solicitation and or our resolutions when we have the proper information to present our issues so that we may allow all proxies and shareholders to vote on all resolutions and any or all other matters that may be presented at a meeting.

In closing, we would like to say we are elated Ciri hired a comedian as legal counsel.

Sincerely,

CSC

Concerned Shareholders For Ciri

Without Prejudice UTC1-207

*no answer*

*Please call to Barbara your tentative meeting date and I will let you know. Ciri would change the date and void all printed material we have done. I think they did this in past but will not do it.*

X  
11  
To: Mr. Kotts  
Concerning HB251 Native Corporations  
From: Bobbie Oskolkoff  
P.O. Box 266  
Kenai, Alaska 99611-0266

I spoke with Dr. Michael Krauss of University of Alaska Fairbanks. Dr. Krauss was willing to speak about the linguistic and cultural problems that may shed a small light on why ANSCA is not working for the Shareholders. From the conversation with Mr. Kraus, I was introduced to a new way of thinking about our problems. There appears to be some confusion as to whether people are Urban or Tribal. The fight is based on right against right. Corporations are based on earning capabilities. Shareholders want Tribal rights within the Corporations. A distinct social aspect exists with Alaska Natives under ANSCA. The people want to belong and be immersed with the Corporations. CIRI is the most unique of all the Corporations. Within CIRI are many Unique groups. Nindichik is a class within itself. It is a definite Russian/Native culture with its own version of language. Kenai is Athabascan/Russian/Phillipino and other mixtures. Tyonak is basically Athabascan. Each ethnic group has its own values. We have many at large Shareholders from all tribes. The at large Shareholders are a misplaced people. They need to belong to a group. Trying to make an assemblage of diversified people work as one and meet their requirements under one Corporation is difficult. It is so unique, there is nothing to compare it to. The village groups are small ethnic groups of Aleut, Eskimo, and Athabascan. The problems are like comparing Russians to Swedes or Chinese to Japanese. There is no comparison! Each group is distinctly different. One way to investigate this problem is to look at Lake Clark, Nondalton, Lime Village and the Iliamna area. We should see if they are happy amongst a predominately Eskimo Corporation. Why is it working or not working for them? They are the minority groups in their region. Does their Corporation meet the minority's requirements?

CIRI is a mixture of many things. In the Anchorage area there are not only Natives of many tribes but whites are involved. Equality and Ethnic values is not limited to natives but our groups have their own minority groups. CIRI is so unique and complicated that we may need to change our whole outlook on the needs of the people. Shareholders want jobs, medical benefits, social services, housing and other social things from the Corporations. Perhaps the new face of CIRI will be to incorporate some Tribal issues into the Corporation. The Shareholders want to be united and to belong to something. Before we can do this, we need to learn who is in CIRI. We need to study the Cultural and Ethnic values of the people. From this study we can understand the needs of the Corporation and the Shareholders.

I spoke with Dr. Alan Boras of the University of Alaska Kenai. Mr. Boras feels the problems lie within individualism. Individualism is based on money and voting. The concept is individuals get all of the money and voting powers which lacks village structure. This is a separation of the haves and have nots with little trickling down to the have nots. Village structure was based on those who have, sharing with those who have not. ANSCA was quickly formatted and Corporations setup in order to build the Pipeline. Little thought was put into the peoples needs. We need to restructure the things ANSCA lacks to better meet the needs of the Alaska Native people.

The Corporations are undergoing a situation similar to the European Enlightenment and Emergence. Today there are three or four diverse points of view on how to solve these problems. It will take several years before all of the issues can be determined and a solution put into effect. I believe the laws before the Legislators need to be shelved for several years until we see if there is a way to make ANSCA work and time to investigate the Emergence issues between Shareholders and the Boards of Directors of the Corporations. Compromises between Shareholders and Corporations need to take place. Both factions need to make concessions. It is apparent the Natives of Alaska are not happy with the current structure of

ANSCA. I think before a Bill of this magnitude is introduced, we need to investigate the issues involved and the issue is not money. It is based on Social and Cultural issues. Corporate issues involve investments, salaries and business. Social issues involve unity, participation and needs of the people. Banking and Securities stated that ANSCA could still be called a test today. If ANSCA is a test then we need time to see what the end results will be. By stopping the voice of the people, we will never resolve the problems. I think the Corporations need to meet with the Dissident leaders under the guidance of Banking and Securities and begin to solve the issues not covered by ANSCA. The Dissident groups are an important part of the changes that need to take place. Silencing the groups will take away the newly emerged confidence of the Alaska Native people. The people are speaking for the first time today. Lets see what will happen. Recalls are designed to keep a Board of Directors under control. CIRI Shareholders have not used their petitions. Money is arriving daily from Shareholders to the Dissident groups. Still we do not wish to Recall our Board. We are looking for a better way. I think more experts on Alaska Native peoples need to be interviewed. This Bill is not the answer to the problems. I grew up listening to my Mother and Grandmother speak of the same issues. The answer is finding a better way to solve the problems. I spoke with CIRI and they are interested in meeting and discussing the issues in a civilized manner. Everyone is tired of fighting. Without the petitions and proxy wars this would not be possible. CIRI is beginning to realize there is a need for changes. I think the Bill should be tabled for a while to see if one group can find a workable way to resolve the issues. I am sending a copy of this letter to CIRI, Banking and Securities and our Board of Directors. Lets put the test to good use and prove that ANSCA can work.

Will I still be able to  
participate in the work group  
~~Wed~~ Wed?

I would like to present this  
for weeks April 5 legislative work  
group. It takes about 6 minutes.  
I think expert opinions of people who  
study our culture is helpful. Both  
see that Anasca is no functioning  
properly. Mr. Krous is willing to  
speak to interested parties.

X  
**STOP HB251 "An Act Relating To Native Corporations"**

TO: Pete Kott  
FROM: ALLEN OSKOLKOFF  
P.O. Box 3116  
Soldotna, Alaska 99669  
Phone 283-2762  
CIRI

Dear Mr. Kott;

I strongly oppose the actions of Roy Huhndorf and his Board of Directors, for imposing HB251 on the helplessly misrepresented Alaska Native Shareholders. I believe the Bill violates the rights of the Natives to have fair representation. Limiting the amount of time allowed to notify Shareholders and gather sufficient signatures on petitions and proxies is intimidating. This cripples Shareholder groups that are trying to improve CIRI. These groups represent the opinions of myself and many of my Native brethren. Our group is trying to persuade Mr Huhndorf to allow Maxim Participation of Shareholders as guaranteed to us under ANSCA. Please remember as you are deciding the fate of myself and my fellow Natives.

Sincerely,

Allen Oskolkoff



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Official Business

COMMITTEES  
Vice-Chairman Transportation  
Member  
Labor & Commerce

**Alaska State Legislature**  
**Chairman - International Trade & Tourism**  
REPRESENTATIVE  
**BEVERLY MASEK**

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

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

MEMORANDUM

TO: MEMBERS OF HOUSE LABOR & COMMERCE

FROM: REP. BEVERLY MASEK

DATE: May 1, 1995

RE: CSHB 251

\*\*\*\*\*

After being tabled CSHB 251 was amended and moved from Committee. While I respect the right of the Committee to take such action, I am disappointed in the manner in which it occurred.

Evidently those members in support of moving the bill were contacted, however I was not notified CSHB 251 was coming up for action. Neither was I given a copy of amendments or the CS. The dozens of local representatives of the shareholders opposed to this bill were not notified or given copies either. Banking and Securities was given less than 20 minutes notice of the intent to address the bill. At least they were notified.

I have reviewed the changes and while they make the bill less restrictive in minor ways, the major threat to shareholders remains in the body of the bill. By leaving subsection (n) in CSHB 251, the Committee indicated through non-objection, either their ignorance or approval of a policy change which, in effect eliminates the ability of shareholders to remove their corporate directors, (see attached Banking and Securities documents). Under Subsection (n), shareholders may not remove a director without cause. As you know the legal standards for cause are very narrow.

It is for precisely this reason the legislature in 1988, enacted AS 10.06.460: to give shareholders the ability to vote out of office those officers with whom they are unhappy.

The only statute addressing cause (AS 10.06.463) requires court removal. Obtaining standing and the necessary expense for this remaining remedy will be next to impossible for shareholders. Therefore what the Committee has done is leave in place for all other corporations the ability to vote out officers but, they have taken away the provision for Native Corporations. These shareholders, unlike other corporate shareholders, cannot sell their stock. I am one of those shareholders so I know their situation. Not only are we locked into our corporation, the Labor and Commerce Committee has thrown away the key to change.

I intend to make all these points on the floor if CSHB 251 should get there. I also intend to take exception to the technical procedures used by the Committee in resurrecting the bill and adopting amendments. The tape of the proceedings is very confusing and at least some motions were improperly stated. I am also told at least one member was there who wished not to be shown as present and may not have signed the Committee report.

To say I am disappointed in how all this came about may be an understatement. I am both incensed and embarrassed that a legislative process claiming to be open to the public would use such irresponsible tactics. It is apparent to me the Chair did not want those opposed to this bill present to give testimony on the CS nor, did he want anyone to know what he was about to do until just before he did it.

I have apologized to the shareholders and encouraged them to not give up on trying to use the system to protect their rights.

cc: Speaker Phillips  
Majority Leader Vezey  
Representative Moses

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES AND CORPORATIONS

April 27, 1995

RECEIVED  
APR 27 1995  
TONY KNOWLES, 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  
TDD: (907) 465-5437

The Honorable Beverly Masek  
House of Representatives  
State Capitol  
Juneau, AK 99801-1182

Dear Representative Masek:

Re: Response to Information Request CSHB 251

Pursuant to your April 26, 1995, memorandum requesting additional information on CSHB 251, we enclose, herewith, as requested, a copy of the original executed fiscal note submitted March 24, 1995, in conjunction with CSHB 251. In addition, we furnish a copy of our transmittal letter of April 19, 1995, together with the division's draft recommendations and accompanying draft fiscal note. Finally, we also enclose a zero fiscal note dated April 28, 1995, as requested by the House Labor and Commerce Committee in response to CSHB 251(L&C) as amended, and passed out of the Committee on April 27, 1995.

You have also requested an analysis on the effect of CSHB 251(L&C) on the ability of shareholders to petition for the recall of directors, and whether such ability is unique with respect to other Alaska Corporate entities. Section "N," of proposed CSHB 251, excuses ANCSA Corporations, who have adopted staggered terms of office for their directors (most have), from the provisions of Alaska Statute (AS) 10.06.460, providing among other things for the recall of directors without cause. The ultimate result of this provision is that for these corporations' directors may be removed then, for cause only. The only provision for removal for cause is found at AS 10.06.463, and provides for court removal. Thus, shareholders seeking removal will need to bring Court action and meet judicial standards to affect removal of one or more directors. The inability to petition and recall a board with a majority vote will be unique to ANCSA corporations only.

We trust that this information is responsive to your request, and that you will not hesitate to contact this office if we may offer any further information or assistance.

Very truly yours,



Lawrence P. Carroll  
Senior Securities Examiner

LPC/go349.bsc  
042795a

Enclosures: Draft transmittal of April 19, 1995  
Original Fiscal Note of March 24, 1995  
New Zero Fiscal Note of April 28, 1995

CSHB 251 (L&C): "An act relating to the meetings, shareholder proposals, and removal of directors of Native Corporations"

RECEIVED  
APR 27 1995

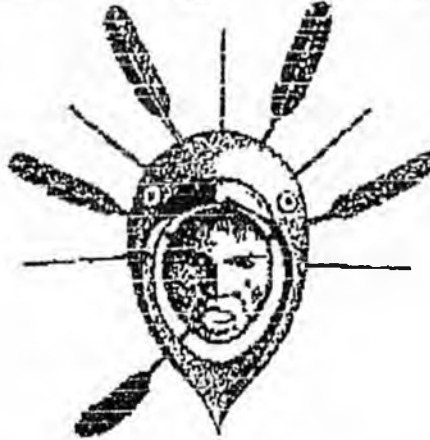
The department supports the primary intent of the proposed legislation as expressed by the bill's sponsors. Both the curtailment of disruptive, frivolous, and repetitive petition practices and the preservation of basic redress rights of 70,000 Alaska Native Settlement Act (ANCSA) shareholders are the paramount issues. While the department supports the overall concept of reducing disruptive repetitive petitioning practices, the provisions of section (n) need to be revisited as the ultimate bar to petition removal of directors by a majority of shareholders appears to be an unintended result and one that the department does not support.

CSHB 251 requires that a meaningful number of shareholders be sought in any petition effort, either proposing advisory resolutions or seeking special meetings. Petitioners in corporations having 500 or more shareholders will need the support of 15% of the shareholders, and for those entities having less than 500 shareholders, 25% will be required. Establishment of these thresholds will help to eliminate frivolous petitions and will ensure that the issues presented are important to a fair number of shareholders. The corporation must be put on notice as to the particulars of the petition effort at the onset of the campaign, and solicitation materials must be filed with the corporation concurrent with their distribution to shareholders. This enables the corporation to monitor the activity and respond to allegations while also minimizing the risk of misinformation to shareholders. An overall time limit of 180 days is imposed to gather the requisite signatures so that the process does not drag on ad infinitum. For corporations having one million in assets and a class of shareholders of 500 or more, these materials will likewise be filed with the division under the terms and conditions of AS 45.55.139. Corporations under these size specifications are not required to file with the division, and CSHB 251 will impose a new requirement with respect to filing petitions and solicitation material with corporate offices which will not be duplicated by state filings.

A further provision of the bill designed to curb repetitive petitions will enable the corporation to decline to consider a shareholder proposal if substantially the same issue has been brought before the shareholders within the preceding year. Disputes arising with respect to the requisite signatures, time frames, or repetitive issues on filings with corporate offices will be subject to judicial resolution under private rights of action. The department, therefore, has submitted a zero fiscal note, believing that we will not be involved in any dispute resolution on these issues. It is expected that one party or the other will have to initiate litigation to effect enforcement of its relative position.

Section (n) of the bill which excuses corporations having adopted classification of directors (staggered terms) from the provisions of the existing corporate code allowing for "removal without cause" continues to be a concern to the department. This provision (which was not included in our suggested amendments) will result in what may be an unintended burden on shareholders. The Alaska Corporate Code has no provision for removal

# CIRI



Phone: (907) 274-8638

Fax: (907) 279-8836

## COOK INLET REGION INC.

2525 C Street, Suite 500  
P. O. Box 93330  
Anchorage, AK 99509-3330

To: Pete Kott, Chair  
Committee Members

From: Mark Kroloff-

Fax #: (907) 4652819

# of pages (including cover): 4

Message/Special Instructions: Attached is supplemental  
testimony re: HB 251 which I  
will be presenting at 4:30  
today from Anchorage.

Date: 3/29/95

Operator name: \_\_\_\_\_

\*Note: If there are any problems with this transmission or you have received it in error, please call A.S.A.P.

Additional Testimony of  
Mark W. Kroloff  
Vice President & General Counsel, Cook Inlet Region, Inc.  
In Support of H.B. 251

Mr. Chairman and Honorable Committee Members:

My name is Mark Kroloff. I am Vice President and General Counsel of Cook Inlet Region, Inc. (CIRI). Thank you for the opportunity to provide additional testimony in support of H.B. 251.

I would like to provide some brief, direct answers to some of the questions posed by Committee members at the Committee's March 27, 1995 hearing.

1. Where in ANCSA is the 25% petition standard found?

At 43 U.S.C. § 1629b(c)(1)(A).

That section provides that 25% of the shareholders of an ANCSA corporation may petition for a vote to lift alienability provisions on the corporation's stock.

2. Would H.B. 251 violate the "free speech" rights of shareholders?

No. This is true for several reasons:

- Legally speaking, the right of "free speech," and "First Amendment rights," apply between the government and its citizens, not between a corporation and its shareholders. Shareholder rights are governed by corporate law. The prohibition on misleading statements regarding a corporation and its operations has been a fundamental tenet of corporate and securities law in the United States since the 1930s. (Moreover, it is worth noting that even the government can regulate the time, place, and manner of citizens' speech.)
- H.B. 251 does not limit shareholders' right to speak or write on any issue at any time. It merely requires that statements published regarding a corporation be truthful, and affects the size of the minority of shareholders that can require a Native corporation to hold a special meeting.
- H.B. 251 does not affect in any way shareholders' rights to raise any appropriate issue at the company's regular annual meeting each year.

March 29, 1995

Page 2

- H.B. 251 allows even a minority of shareholders to require the company to have a special meeting at any time, so long as the minority is meaningful – 25%. It does not allow a small group to repeatedly require special meetings.

3. Is it unconstitutional to have one petition standard for Native corporations and a different one for other corporations?

In my judgment, no. Native corporations are a unique creature of federal law. Congress has provided many special circumstances in which Native corporations are treated differently than other Alaska corporations.

In addition, the Alaska Legislature has, in the past, provided numerous important exceptions to the Corporations Code for Native corporations that treat those corporations differently from other Alaskan corporations. Most of those exceptions are found at AS 10.06.960. One example of these is a special rule allowing Native corporations to pay dividends in circumstances in which other corporations could not.

H.B. 251 continues this well-established history of separate treatment. The separate treatment is appropriate, and constitutionally acceptable, because of the separate goals, problems, and issues of Native corporations that these exceptions are intended to address.

(As I stated at the March 27, 1995 hearing, CIRI would not oppose the application of H.B. 251 to all corporations if that is the House's pleasure. We doubt that any non-ANCSA corporations would have any interest in these provisions one way or another.)

1. Are the penalties for violations contained in H.B. 251 too harsh?

Perhaps. CIRI does not oppose relaxing the criminal penalties.

Here is why we think the legislative draftsman added the strict penalties section:

- Those penalties already exist in Alaska law today, for violations of the proxy rules.
- Because H.B. 251 makes clear that special meeting materials will be treated like proxy materials, those same penalties were simply repeated here. They weren't made any harsher or any easier.
- If you take any criminal law, whether it provides for fines or imprisonment or both, you can think up sets of facts where the penalties would be too harsh for the infraction. But that is why

March 29, 1995

Page 3

prosecutors have discretion to bring, or not to bring, charges, and why juries do not have to convict. The legislature simply cannot -- and cannot be expected to -- think up the thousands of possible factual scenarios that could arise and tailor the law to each of them. Therefore, the fact that in extreme cases the law could be harsh does not make it a bad law if, in most cases, it would be appropriate.

- Some of the opponents of H.B. 251 testified that the legislature should follow the federal securities laws and the Securities and Exchange Commission ("SEC") type of enforcement. I believe that, in fact, this proposal does quite a lot of that. H.B. 251 incorporates Alaska's pre-existing enforcement mechanism for violations of the proxy rules and extends their application to special meeting materials. This is similar to federal securities laws, which have very tough civil and criminal penalties for violations -- including proxy-type violations. I would note that the SEC vigilantly enforces those laws and violators are prosecuted.
- Nevertheless, as noted above, CIRI would not oppose relaxation of criminal penalties.

Thank you for the opportunity to testify further before you today.

**KAKE TRIBAL CORPORATION MEMO**

To: SEAPA Members  
Re: House Bill 251

March 31, 1995

This week, Representative Carl Moses introduced HB 251. Much to my surprise, a hearing was held on the bill shortly after the introduction. The bill would change the percentage necessary to call a special meeting from 10% to 25% of a corporation's voting shares. I personally believe it is a mistake to address the need for reforming the recall provisions of the corporate code in this manner.

At the SEAPA Economic Conference last week, we had an excellent discussion on the issue of reforming the recall provisions. I believe we all favored a simple piece of legislation centered around a clear definition of the reasons for recall. From my notes of our discussion, the following is the consensus I thought we reached on this issue:

- **Leave the percentage at 10%. Raising the percentage will be perceived as an abridgment of shareholder rights, with the likely result that the bill will fail due to the opposition it will draw.**

Raising the percentage from 10% to 25% won't help us at the village level. The proponents that caused special meetings to be called over the last couple of years would have had little problem collecting 25% of the necessary signatures.

- **Add a very clear definition of the "reason to recall" to the corporate code, with appropriate fines or penalties for people who issue "false and misleading" information.**

Currently, the law allows shareholders to recall directors "with or without cause." That language is the cause of much divisiveness because in any recall election, opponents can say anything, and get away with it! A very clear definition of the reasons for recall, will place the burden on the shareholder initiating such action and will bring sufficient discipline to the recall effort to make the 10% standard irrelevant.

- **Add additional language that will set out clear procedures for calling special meetings.**

The corporate code should encourage a dialog between shareholders and management, before the recall effort proceeds. By requiring shareholders to notify management before a recall effort begins will encourage both sides to discuss the issues. Talking solves many problems before they get to the boiling point.

- **Establish a one year cooling off period before another recall effort can be initiated.**

I suggest we discuss this legislation prior to or during the April 7, 1995 meeting concerning the Landless legislation. Perhaps we can agree on a good piece of legislation based on points we discussed last August and during the SEAPA Economic Conference last week.

Best Wishes,

A handwritten signature in cursive script, appearing to read "Gordon Jackson".

Gordon Jackson  
President/CEO Kake Tribal Corporation

P.S. Representative Kott, Chairman of the House Labor and Commerce Committee (465-3777), has scheduled hearings on HB 251 next week on April 5th, 3:00 p.m. (possibly later due to a scheduling conflict) Room 17, Capital Building, and again on April 7th at 3:00 p.m.

Mr. Kolls,  
Here is some of our  
Ciri + State Correspondence.  
I marked letters we have no  
answers from!

Bobbie Opatolish  
283-7248

CONCERNED SHAREHOLDERS FOR C.I.R.I.

P. O. Box 266

Kenai, Alaska 99611-0266

February 27, 1995

Ms. Agnes Brown, Secretary  
Cook Inlet Region, Inc.  
2505 McCrae Rd.  
Anchorage, Alaska 99517

Dear Agnes:

Concerned Shareholders for CIRI is requesting the minutes from February 17, 1995 Board Meeting. We are also requesting the minutes from the November 17, 1994 Special Meeting, including minutes of the recesses, and all Board of Directors meetings from November 17, 1994 through February of 1995.

We want to research all of the issues concerning, but not limited to; NOLB, proxy solicitation and long term profit sharing, with the exclusion of the business that require an oath of confidentiality.

Concerned Shareholders are wondering why you were not endorsed as president of CIRI? We believe you have more expertise in corporate business, manners, personal presentation, and human relations than the current administration.

A reply to this letter will be greatly appreciated.

Sincerely,

Concerned Shareholders for CIRI  
Without Prejudice UCC1-207

*no answer  
found out by calling  
Ciri that we have  
to go to the office  
no copies w- only can  
make notes if very  
difficult if you do  
not live in  
Anchorage.*

MARYANN MILLS

9072625403

P.01

MAR-15-95 WED 18:27

CIRI

CONCERNED SHAREHOLDERS FOR CIRI  
FAX NO. 19072625403

P.02

COOK INLET REGION, INC.

March 15, 1995

Concerned Shareholders for C.I.R.I.  
PO Box 266  
Kenai, AK 99611-0266

Dear Sir or Madam:

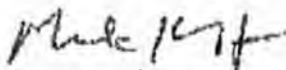
I have received your letter of March 11, 1995, which poses a large number of questions regarding the conduct of a proxy campaign. As an employee of CIRI, I advise only CIRI and cannot provide legal advice to your group. Accordingly, if your group plans to run a separate proxy campaign, it will need to seek its own legal advice with respect to the many questions you have posed.

Your letter also asked a number of questions about me personally. I am happy to provide the following information. I am not a CIRI shareholder. I am a CIRI employee, and not an employee of an outside law firm. If you have additional questions about my employment or that of other CIRI employees, they should be directed to Barbara Donatelli, Vice President, Administration.

Let me try to explain a little more some of the issues regarding groups that refuse to identify what their source of funding is and whether their membership includes outsiders. CIRI has experienced in the past situations in which groups conducting proxy campaigns were secretly backed by non-Native businessmen seeking to take control of the company. Shareholders have a right to know who is really seeking their proxy and whether those people are being financially backed by other interests. The Alaska proxy rules require certain disclosures on these issues, and I would encourage you to consult your own counsel with respect to those rules. You should also keep in mind that a group is not itself a shareholder, and may not be entitled to information that a shareholder could request.

Sincerely,

COOK INLET REGION, INC.



Mark W. Kroloff  
Vice President & General Counsel

cc: Carl Marrs  
Barbara Donatelli

CIRI BUILDING 2525 "C" STREET P.O. BOX 93330 ANCHORAGE, ALASKA 99509-3330  
(907) 274-8833 FAX (907) 279-8834

MARYANN MILLS

9872623403

P. 02

Mr. Kroloff said he does not know who writes the letters for CSC, yet our names appear on the newsletter provided CIRI. Quite personally, no one wants to sign their name for fear CIRI and our attorney may try to sue us.

Our group, Concern Shareholder for CIRI, have no outside support, we know no businesses and we do not solicit money or support from anyone other than CIRI shareholders and membership is open only to CIRI shareholders. We have never received over \$100.00, from any shareholder, most of our donations are in the form of stamps.

We are not trying to get legal advice from Mr. Kroloff, even though he is our attorney, we are however, trying to do our job as responsible shareholders, as provided by law. We are trying to protect ourselves under the discretionary authority, (AAC 08.335), in the event CIRI does not give us all materials in ample time to prepare for a proper proxy solicitation. We have done every thing possible to secure all materials needed for our solicitation. We feel Mr. Kroloff is impeding our effort of doing our job as responsible shareholders.

We hope our letters and CIRI's meager responses prove that we have made every possible effort to get the resolutions, candidates, and all pertinent information for CIRI's 1995 annual meeting.

We plan to extend one more effort in a letter asking question pertinent to the solicitation, of which we will sign. After this we recognize we have exhausted every available avenue to us.

Thank you for your assistance in this matter..

Sincerely,



Mary Ann Mills  
Without Prejudice UCC 1-207  
Concerned Shareholders for CIRI

*submitted  
CIRI  
3/29/95*

*submitted  
3/24/95*

**CONCERNED SHAREHOLDERS FOR CIRI**

P.O. BOX 22 KENAI, ALASKA 996121-0266

March 18, 1995

%Cook Inlet Region, Inc.  
Barbara Donatelli  
CIRI Bldg. 2525 "c" Street P.O. Box 93330  
Anchorage, Alaska 99509-3330

Dear Barbara,

We are submitting a list of resolutions for your approval. We request that you approve them for CSC. If any resolutions are against the laws of the State of Alaska or the Federal Government, we wish to be notified. We also wish to avoid misleading filings so that we will not expend unnecessary time at the annual meeting. If any resolution will be considered misleading, please inform us at this time. We will submit these resolutions to Banking and Securities after you approve them. We are not asking for legal advice other than that which pertains to doing our job as Shareholders. After these resolutions are approved by CIRI, we will officially submit them to you. CSC hopes that CIRI will submit their resolutions to use in a timely matter as we need to file all papers pertinent to a Proxy solicitation in the event we decide to pursue a campaign. We do not wish to have a repeat of the November 17th, 1994 special meeting. CSC's only concern is the Shareholders receive a fair and just vote on these issues. We believe that under the Equal Prominence Law and under the ANSCA law concerning Maximum Participation, we are entitled to a response from CIRI on these above resolutions. CSC respectfully requests your immediate response to the above matter. We also request that you do not use CSC (Concerned Shareholder's For CIRI) name in any surveys, polls or in the media without written approval from CSC.

Sincerely,  
CSC

*Mary Ann Mills*  
*Roberta Oskolkoff*

Mary Ann Mills  
Roberta Oskolkoff  
Without Prejudice UCCI-207

*Not answered*

MARYANN HILLS

9872625483

P. 89

CONCERNED SHAREHOLDERS FOR CIRI  
P.O. BOX 266 KENAI, ALASKA 99611-0266

March 14, 1995

Mark Kroloff  
Vice-President Counsel  
CIRI Bldg. 2525 "C" St. P.O. Box 93330  
Anchorage, Alaska 99509-3330

Dear Mr. Kroloff:

What does CIRI do with discretionary votes? Do they distribute them equally to all five candidates? Do they use the seniority system? If a shareholder marks out one candidate, what happens to the other four? Who gets the votes? If a shareholder marks out all five candidates, is the ballot used for quorum purposes only? If the shareholder marks out all but one of the proxy holders, does the remaining person get to vote the proxy in any way he chooses? Is it understood that that person would vote along with the CIRI slate or would he use the vote in any manner for anyone he chooses? How does CIRI normally distribute the votes? Can you understand these questions?

Sincerely,  
Concerned Shareholders For CIRI  
Without Prejudice UCC1-207

*No answer.*

MARYANN HILLS

09722625402

P.19

### CONCERNED SHAREHOLDERS FOR CIRI

P. O. BOX 266 KENAI, ALASKA 99611-0266

March 14, 1995

Mark W. Krueger  
Vice President of General Counsel  
CIRI Bldg. 2525 "C" St. P.O. Box 93350  
Anchorage, Alaska 99599-3359

Dear Mr. Krueger:

Your letter of March 10, 1995, concerning resolutions states, ".....and it does not seem appropriate to give some shareholders -- or some groups -- a privilege of certain parts of the information before others receive it. And do not want to compromise that effort by distributing partial information - which could be received before the notice of meeting is sent." It does not seem appropriate for CIRI to use their discretion to prevent the shareholders from seeing their job either. Your refusal to send your resolutions to prevent the delays are fitting for a proxy solicitation. This refusal does not comply with the Equal Proportions Law and is against ANSCA as it does not allow solicitation participation without litigation. We would like to comply with the law by our preparation and distribution of materials for the 1995 Annual Meeting. Is CIRI willing to compromise and allow us ample time to prepare our materials? In order to fairly represent the shareholders, we must mail out all of CIRI's resolutions as well as our resolutions. We would like to present CIRI with our resolutions and request CIRI to present CSC that resolutions. We are also requesting the date, time and place of the 1995 Annual Meeting. Could you mail this information before the end of the week? If we submit our resolutions and our candidates to CIRI, will CIRI present any resolutions that conflict ours to CSC? CSC has held numerous past Concerned Shareholders For CIRI's future submitted resolutions to CIRI for the 1995 Annual Meeting. Is this true? We are requesting copies of those resolutions from CIRI and say or all resolutions CIRI possess. CSC is requesting the above items so we have the same amount of preparation time as CIRI and so we can begin our proxy solicitation. If we so desire, can the same day CIRI mail theirs. Perhaps both parties could set a deadline date for submission of resolutions? CSC also requests a copy of the CIRI state of affairs.

Concerned Shareholders For CIRI  
Without Prejudice VCC1-297

*no answer*

COOK INLET REGION, INC.

Via Fax and Mail  
(907) 262-5403

February 28, 1995

Concerned Shareholders for C.I.R.I.  
PO Box 266  
Kenai, AK 99611-0266

Dear Sir or Madam:

Your letter to Carl Marrs of February 28, 1995 has been forwarded to me for response.

Your letter was not signed by any individual, and we are not sure to whom to respond or what the membership of your group is. In addition, we cannot really decipher from your letter what it is you want CIRI to provide you. CIRI has not yet delivered notice of its annual meeting nor begun a proxy campaign. We do not know what proxy campaign, if any, your group intends to conduct. To our knowledge, you have made none of the filings and delivered none of the materials prerequisite to a proxy campaign. Accordingly, at this point, we really do not know what information is responsive to your request.

Sincerely,

COOK INLET REGION, INC.

  
Mark W. Kroloff  
Vice President & General Counsel

MWW/gm  
1/1/95

cc: Carl Marrs  
Barbara Donatelli  
B. Agnes Brown

CIRI BUILDING 2525 "C" STREET P.O. BOX 93330 ANCHORAGE, ALASKA 99509-3330  
(907) 274-4439 FAX (907) 274-4418

*Handwritten:* # 465-2549

March 25, 1995

Concerned Shareholders For CIRI  
P O Box 266  
Kenai, Alaska 99511-0266  
907-283-7748

Lawrence P. Carrol  
Chief Securities Examiner  
State of Alaska Div. Of Banking and Securities  
P.O. Box 11087  
Juneau, Alaska 99811

ATTENTION: Terry Elder

Dear Mr. Elder,

We sent the enclosed letter (signed) and resolutions to Barbara Donatelli of CIRI. We will officially file with everyone when the attorneys, your office and CIRI agree that we have tried to avoid False and Misleading Statements and we attempted to avoid resolutions against State or Federal Laws. We have also attempted to obtain all resolutions that will take place at the Annual Meeting.

Sincerely,  
*Bobbie Oskolkoff*  
CSC  
Bobbie Oskolkoff

*Enclose all letters & resolutions.*

## CONCERNED SHAREHOLDERS FOR C.I.R.I.

P. O. BOX 266

KENAI, ALASKA 99611-0266

FAX 907 262-5403

February 28, 1995

Carl Marrs, President  
CIRI Building 2525 "C" Street  
P. O. Box 93330  
Anchorage, Alaska 99509-3330  
FAX (907) 279-8836

Dear Carl Marrs:

CONCERNED SHAREHOLDERS FOR CIRI (CSC) is requesting all resolutions, candidates, and all pertinent information we must have for our proxy campaign for the 1995 CIRI annual meeting.

We request you to FAX this information by February 28, 1995 to (907) 262-5403. If this is not your duty, would you please refer this letter to the appropriate person?

Your assistance in this matter is greatly appreciated.

Sincerely,

CONCERNED SHAREHOLDERS FOR CIRI  
Without Prejudice UCC 1-207

cc: Barbara Donatelli  
Agnes Brown, Sec. CIRI

James Dymally  
✓ 2708 1/2 to 106th Ave  
Anchorage, AK 99509

My name is Jan Green, Director  
of the Alaska Civil Liberties  
to HB 251  
Our 1st amendment rights  
under the U.S. Constitution  
This is our most basic  
right to be destroyed -  
Freedom of speech.  
This bill will take away  
this right to free this bill.

3-29-95

**KONIAG, INC.**

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

(907) 581-2088 • FAX (907) 582-5250 •

March 30, 1995

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

Via Fax

RE: House Bill No. 251

Dear Representative Kott:

House Bill No. 251 was heard before your Committee on Labor and Commerce. Unfortunately, I was unable to testify because of previous commitments.


This Bill will provide the Board of Directors of ANCSA corporations some means to protect the longevity of the corporations. Under the existing provisions the greedy few will destroy our corporations for future generations to come. We will not have a legacy to pass on.

Congress' intent when they passed ANCSA was to establish corporations to provide benefits not only to present stockholders but also to our future generations. The continued attack on Cook Inlet Region, Inc. and Sealaska are by the greedy. Money is the issue, these are the corporations with the big dollars. You don't read of any attack on smaller corporations. It is important you provide us with the means to protect the ANCSA corporations for our future generations to come.

Koniag, Inc supports House Bill 251 and urges your endorsement of these amendments to the State Corporate Code.

Sincerely,

KONIAG, INC.

  
Frank Pagano  
President

cc: Cook Inlet Region, Inc.  
Sealaska Corporation  
Representative Masek  
Representative Austerman  
Senator Fred Zharoff

Post-It™ Brand fax transmittal memo 7671		# of pages ▶
To Peter Kott	From	
Co.	Co.	
Dept.	Phone #	
Fax # 465-2869	Fax #	

March 30, 1995

Alaska State Legislature  
House Labor Commerce panel  
Rep. Peter Kott, Chairman  
State Capital Building  
Juneau, AK 99801

Dear Mr. Kott:

This letter is in response to the House Bill 251. As a shareholder of Sealaska I have never signed a petition, but after reading this House Bill I have lost confidence in the Native Boards that are pushing such legislation. I see Dictatorship and not Leadership in our Native Corporations if such legislation is passed.

I strongly feel that Sealaska should have put this kind of information in the Sealaska Newsletter to fully inform shareholders on this legislation, and also hold hearings for the shareholders so we can have input, since this is an important issue. I think the Native Boards would get more respect from the shareholders if they were more informative about these kind of issues.

I would like to see this part taken out of the legislation. On page four of the Sponsor Summary, sec. 6 line 13 states upon conviction, is punishable by a fine of not more than \$5000.00, or by imprisonment for not less than one year nor more than five years, or both. My reason for asking that this be removed is when there is any confrontation between the shareholders, Management and the Boards it is shareholders money that is used to pay for any litigation and this legislation is unfair to the shareholders.

I think the Native Corporation boards would have more stability and a lot less disruption from shareholders with recalls and special meetings if they would utilize the Shareholders Relations Committee to present the shareholders concerns to the Native Board. I just don't see this to benefit the shareholders. These Native Corporations were formed to benefit the shareholders and that hasn't happened in the 20 plus years they have been in operation. Only a hand full of shareholder have benefited from the Native Corporations.

Sincerely,

*Loretta Pittman*  
Loretta Pittman

April 3, 1995

Dear <sup>Mr. Kott</sup> ~~Mr. Kott~~:

I am a full-blooded Yak-Tat-Kwaan Tlingit Indian. There has been a lot of news circulating about House Bill No. 251, which may have an adverse affect on the Native Indian people of Alaska. I would not have elected the Sealaska Corporation board of directors if I had known they were going to introduce such devastating legislation on our Indian people. I support the recall of the Sealaska Corporation board of directors put on our proxy election ballot this year. Unfortunately, the way state law works, I cannot try to just recall one of them, we must recall them all, and I endorse the Sealaska board's recall for the following reasons: 1) The unauthorized introduction of HB 251, An Act relating to Native Corporations. 2) Sealaska Corporation and Cook Inlet Region, Inc., did not fully investigate the adverse affects this legislation would have on our old and young Indian people, but, rather seem to be making an effort to shut our old and young people out forever. 3) Our Indian land was not provided to our Indian people, old and young, you did not care for them. 4) Sealaska has never taken an active role to be compassionate and understand our Indian issues, and the loss and exhaustion from trying to get back to our Indian life. We have remained in bondage to the corporation for 25 years. 5) We cannot take any more years of your lack of action and compassion for our not having Indian land from you, or following through on our Indian issues. Please Alaskan Native Indians of Southeast, support the recall, give the board removal box your check when the proxies are mailed for this years annual meeting held in Wrangell, AK.

*Bernice Trego*

Bernice Trego  
9464 Brady Place  
Juneau, Alaska 998

RECEIVED  
APR - 4 1995

MAIL ROOM

Attention Pete Kotts  
Subject: HB251 Native Corporations  
FROM: CIRI Shareholder ELEANOR BEATTY 283-7748

Dear Sir;

Please stop HB251. This Bill is for Corporate leaders. This Bill does not take the Native Shareholders into consideration. I am seventy years old and still waiting for the "future" *promised to us by ANSCA*. My mother is ninety years old and still waiting for the "future". Corporations are trying to offer us death benefits and other packages without our approval. Both my mother and myself are of sound mind and capable of investing our own money. This Law will take away our rights to speak against the corporations when they take away our right to participate. The dissident groups are the only hope we have left.

*Eleanor Beatty*

RECEIVED  
MAR 27 1995

March 27, 1995

Representative Beverly Masek  
Room 418, State Capitol  
Juneau, Alaska 99801-1182  
(Fax 465-2295)

Dear Representative Beverly Masek,

I am faxing to you petitions against HR251 with the signatures of Alaska Native shareholders, representing different native corporations.

Representative Masek, I was really saddened that some of our fellow Alaska Native shareholders were hesitant to sign the petition, and some wouldn't sign even after I had explained the bills consequences to our rights as native shareholders. Even one well known elder, whom I have known for years, would not sign because she could not understand what the bill meant. Then I thought, well that's a good example in our favor, because it just goes to show how innocent and unlearned many of our Alaska Native people really are on corporate State Statutes. Representative Beverly Masek, please use this as a positive example to prove that if HR251 passes, that it will negatively effect thousands of Alaska Native shareholders who don't know or understand a thing about this bill.

Also, I spoke to one of our CIRI Board Members about the bill, and he was really concerned because CIRI Board Members have no knowledge of this bill. I wonder how many other Alaska Native Board Members who don't know about HR251?

Representative Masek, would your office please make copies of the petitions and give them to the other committee members who will be reviewing the bill today.

I regret that I and others didn't have more time to gather more signatures. Thank you Representative Masek for your help and concern. We pray that this bill fails.

Sincerely,



Sharon P. Kay  
17400 Spain Drive  
Anchorage, Alaska 99516  
(907)345-7848

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".

THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
Ronald D. Robinson	8730 Midland Pl.	CIRI	3-26-95
Sharon P. Key	17400 Spain Dr.	CIRI	3-26-95
Clma DeCormick	7220 Montanum	CIRI	3-26-95
Liina Harris	4001 Garfield St.	NANAF	3-26-95
Aera Newton	14045 Lake Otis Pkwy.	CIRI	3-26-95
Burt M. Severson	Anchorage AK	CIRI	3-26-95
Walter Severson	Anchorage AK	CIRI	3-26-95
Naig Semantoff	Anch AK	CIRI	3-26-95
Ellen Savage	Anch AK	DOYON	3-26-95
Harry T. Littlefield	Anch, Ak.	SEALASKIA	3-26-95
Audrey Sunnyboy	510 W 89 Ave	DOYON	3-26-95
Zed A. Kurb	17440 Lore Rd #307	CIRI	3/26/95
Ernest H. Huk	2311 Resurrection Pl. Anchorage, Alaska	Calista Corp.	3/26/95
Edda Anarek	3925 E 3rd Ave.	CIRI	3/26/95
JAVIER MILLER	3700 Bon. Ave.	CIRI	3-26-95
Michelle Bacon	13800 Davis Rd	CIRI	3/26/95
JERRY ANAREK	801A 4th St #130	15th region	3/26/95
LARRY EWAN	602 W 34th Apt 114	AHTNA	3-26-95
Robert & Robinson	92 Anch. AK	CIRI	3-26-95
James J. Jackson	1545 S. Hoyden Way	Anch AK. DOYON	3-26-95
Mary Hiratahne	Anch. AK	BBNC	3-26-95
Mark M. Hiratahne	Anch. AK	BBNC	3-26-95
Nida Williams	Anch. AK	Kaniga	3-26-95
Sally M. Swafford	Anch. AK.	BBNC	3-26-95

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".  
THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDER

NAME	ADDRESS	NATIVE CORPORATION	DATE
<i>Nicholas Pestrikoff Sr</i>	<i>1053 N 27th St</i>	<i>KONIAG INC.</i>	<i>3/26/95</i>
<i>Steve Hopsow Jr</i>	<i>Bx 146</i>	<i>Nucosutak ASRC</i>	<i>3/26/95</i>
<i>Many Virginia Mantichuoli</i>	<i>201 east 16th # 301</i>	<i>Anch AK 99501 BBNC</i>	<i>3/26/95</i>
<i>Margaret O Jones</i>	<i>325 Irwin Dr</i>	<i>ANC AK 99008 Calista</i>	<i>3/26/95</i>
<i>Mona L. Robinson</i>	<i>610 W. 89th</i>	<i>And. AK 99515</i>	<i>3-26-95</i>
<i>Erik Makinnon</i>		<i>ITRI</i>	<i>3-26-95</i>
<i>Patsy A. Rudolph</i>	<i>12524 Lamson St</i>	<i>Quid., AK 99515</i>	<i>3-26-95</i>

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".

THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
Arnold Ashenfelter	10116, Praxia 99712 P.O. Box 1353	Chugach Native	03/27/95
LeRoy Ashenfelter	BRAN'S COFFEE DURHAM, AK	Chugach Native	03/27/95
Victor Ashenfelter	GEN. DEL SEWARD, AK	Chugach Native	03/27/95
Arthur A. Conkley, Jr.	PO Box 415 Pilot Point	Bristol Bay Native Corporation	3-27-95
William Akhoyak	PILOT POINT AK.	BRISTOL BAY AK. CORPORATION	3-27-95
Eli C. Wright	Anchorage, AK	NANA & K.I.C.	3/27/95
Jesus Christ	signed at the ANMC. by a Brother Francis Shetter Alaska Native Shareholder.		3/27/1995

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".  
THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
Edgar Smith Sr.	Seward Park Anch. Ak.	Alut Corp	3-27-95
Jim Smith	Land Point Ak.	Alut Corp	3-27-95
Cherry Foster	Anch. ak.	Alut Corp	3-27-95
Charles Lofell	Anch Ak.	Chugach Coop	3-27-95
Ernie Dustin	King Cove ak.	Alut Corp	3-27-95
Blond Marsh	Anch ak.	CIRI	3-27-95
Pat Riddick	Anch.	MANA	3-27-95
Edgar Shavinsky	Anch Ak.	BBNC Bayview	3-95
Russel Shavinsky	Anch Ak	BBNC + Bayview	3-27-95
Ernie Brandal	Land Point ak.	Alut Corp	3-27-95
Thomas Brandal	Anch. ak.	BBNC	3-28-95
Paul Riddick	Anch ak.	Denalaska	3-27-95
Bruce Foster Jr.	Land Point ak.	Alut Corp	3-28-95
Charlie Lambert	Anch ak.	Doyon Corp	3-28-95
John Lamb Sr.	Anch ak	Chilista Corp.	3-28-95
Ryan Romer	Anch	Chilista Corp.	3-28-95
Ron Romer	Anch	Chilista	3-95
Nick Shavinsky	Anch + Chugach Lake	BBNC	3-28-95
Ed Casey	Anch	Goldbelt Corp	3-28-95
Lawrence Yetchanoff	Falls Pass	Alut Corp	3-28-95
Peter Yetchanoff	Falls Pass	Alut Corp	3-28-95
Rodger Holmberg	Leather Hills	Alut Corp	3-28-95
Frank Peratrovich Sr.	Anch. Klovick + CIRI		3-28-95
Netti Peratrovich	Anch Denalaska + CIRI		3-28-95

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".  
THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDER!

NAME	ADDRESS	NATIVE CORPORATION	DATE
Carole M. Wilson	716 N. Lane St	C.I.R.I.	3/26/95
Ma Watson	716 N. Lane Lane St.	CIRI	3/26/95
Harold Rudolph	4200 E 4TH ST 107	CIRI	3-26-95
Robert Watson	635 N Bliss St Anch	CIRI	3-26-95
Ron Watson	716 N Lane St, Anch.	CIRI	3-27-95
David Watson	716 N. Lane St. Anch 99508	CIRI	3-27-95
Joe Rudolph	11225 L. Ann Mark Dr. Anch.	CIRI	3-27-95
Gene Watson	655 N. Bliss St. Anch.	CIRI	3-27-95
Don Belts	Anch.	CIRI	3-27-95
Glen Belts	WASSILIA	CIRI	3-27-95
Delores Ashenbletter	Anch.	CIRI	3-27-95
Tammy Tuttle	Anch	CIRI	3-27-95
Sigron Able	Anch	CIRI	3-27-95
Brenda Able	Anch	CIRI	3-27-95
Fred Able	Anch	CIRI	3-27-95
Walter R. Miller	100 AK CARRY ST Anch	CIRI	3-27-95
Jerry Fenwick	Anch	CIRI	3-27-95
Rose Belts	Anch.	CIRI	3-27-95
Bill Walker Jr.	Wassilia	CIRI	3-27-95
Carl Walker	Anch	CIRI	3-27-95
Robert Watson	Anch	CIRI	3-27-95
Darlene Belts	Anch	CIRI	3-27-95
Bruce Foster	SAND POINT AK.	ALUET CORP.	3-27-95
Arney Foster	Sand Point AK.	ALUET CORP.	3-27-95

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NOTE:

FAX THE PETITION TO REP. PETE ROTT, Labor & Commerce, CHAIR

FAX 465 2819

PHONE 465-3777

PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".

THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
MAIUE Dunlap	3880 RED FOX Circle Wasilla AK 99654		4/5/95
Lesley T. Spent	2614 W. 33 <sup>rd</sup> Anchorage AK 99517		4/6/95
John L. L.	4603 Cypresswood Dr. S. Spring TX 77375		
[Signature]	1031 W 12 <sup>th</sup>	99515	4/6/95
John Fornit	P.O. Box 242362 Anchorage	344-5860	4/6/95
Wayne Christie	11205 11A Balfour	AKC 3497079	4/6/95
N. Dennis	2211 R. S. R. Bldg	AKC	4/6/95
David J. Taylor	501 W 22 <sup>nd</sup> No 2	Anchorage AK 99503	4/6/95
John F. [Signature]	1121 E 17 <sup>th</sup>	99501 Anchorage AK	4/6/95
Alvin [Signature]	3925 E 9 <sup>th</sup>	99518 Anchorage AK	
Dawn Lach	1210 1/2 PETER	99518 Anchorage AK	4/7/95
KEN WOOD	1545 S HOYT	99508 ANCH AK	4/7/95
Reg. Sudduth	1846 S. Salem	Anch 99508	4-7-95
James Braker	1846 S. Salem	Anch 99508	4-7-95
Vella D. [Signature]	6329 E 32 <sup>nd</sup> Ave #1	Anch 99504	4/7/95
Leslie Barnett	3701 Euclid St	99503	7/8/95
Mary [Signature]	1200 DIAMOND	99524	4/8/95
Paula N. Shapiro	P.O. Box 110903	Anch 99511	4/9/95
Barbara Nisler	1425 W 27 <sup>th</sup> #1	ANCH 99503	4/9/95
Margaret [Signature]	P.O. Box 103431	ANCH AK 99510	4/9/95
Mary [Signature]	P.O. Box 2320	CARDU # AK 99576	



PETITION

AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".  
THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
Ralph Winkelmann	2007 Ant-Bond #59 Anch AK 99503		3-31-95
Isidor E Cordova	PO Box 102008 Anch AK 99501		3/31/95
Deborah Reichen	8630 Augusta Circle Anch AK 99514		3-31-95
Ron Hagan			3-31-95
Noel Bjornson	8430 Pioneer Dr. A/A 99504		3-31-95
Richard Rhyne	8871 Fenow Dr 99507		3-31-95
DEAN STEVENS	3436 Balfour #2 Anch AK 99504		3/31/95
JENNIFER HAAS	1301 FANON ANCHORAGE AK 99501	CIRA	3/31/95
SUSAN K. Embrokan	C/O 3300 Prow. Dr. #522 A/A		3/31/95
Ronald Engbretson	513 E 25th Anchorage AK 99503		4-1-95
Bob Keapel	1908 Hillcrest Anch AK 99517		3-31-95
ROY KALLANDE	2606 ABBEY AVE. AK		3/31/95
KELLY STUBBS	1107 HOLLYWOOD #512 99501		3/31/95
ROOKS Gandy	SR 1414 Turpin ST. 99504		4-1-95
manda De Lay	4101 Cape Street, Apt. #1 99503		3-31-95
Steve Monaghan	3439 Scarlet Place 99517		3-31-95
Heather White	701 Teloguan 99501		4/1/95
Bill How	7401 Madagascir 99518		4/1/95
Kristin Ernst	1109 Westbrook AK 99518		4/1/95
Lynda DeGala	1119 Westbrook AK 99518		4/1/95
John [unclear]	726 0th Place Anch AK 99501		4/1/95
Leslie [unclear]	5930 Franklin's CIRCLE		4/1/95
Ann Peterson	344 Lynwood 99518		4/2/95



AGAINST HB251, "AN ACT RELATING TO NATIVE CORPORATIONS".  
 THIS BILL EFFECTS THE RIGHTS OF OVER 70 THOUSAND ALASKA NATIVE SHAREHOLDERS

NAME	ADDRESS	NATIVE CORPORATION	DATE
Judith Kellum	3723 E. Leach Ave Anch AK 99507		3/27/95
Shirley Gardner	3723 E. Leach Ave Anch AK 99507		3/27/95
Thomas D. Heston	4501 Parkside Apt 122 Anch AK 99507		3-27-95
Michael J. DeWitt	2250 Montpelier Ct Anch AK 99517		3-27-95
Harold J. Rupp	635 E. Wines Ave Anch AK 99505		3-28-95
Debra M. Culotta	205 E. Richmond #326 Anch AK 3723 E. Leach	CIRI	3/27/95
Judith Kellum	3723 E. Leach Anch AK 99507	CIRI	3/20/95
Patricia A. Lance	PO Box 241201 Anch AK 99524	BBNC	3-29-95
Martin Lance	Box 241201 Anch AK 99524	BBNC	3-29-95
John Kerr	PO Box 770297 Eagle River AK 99577	MEM	3-29-95
Clara Kerr	PO Box 770297 Eagle River AK 99577	C.I.R.I.	3-29-95
Christina Sheele	P.O. Box 222085 Anch AK 99522	CIRI (ACT)	3-29-95
W. John Harris	5901 E 6th #337 Anch AK 99504	(Sedukuk-Goldbelt)	3/29/95
F. Archie Nielson	" " " " " "	(Sedukuk-Goldbelt)	3/29/95
Joan Lynne Jensen	2708 1/2 W 1st Anch AK 99509		3/29-95
B. Jacquelin Fogdell	4830 Bryn Mawr Anch AK 99516		3/29/95
Mary Rastetter	4840 Bryn Mawr Anch AK 99516		3/31/95

*Distributed by Rep. Kim Elton*

APR 21 1995

To: Rep. Kim Elton  
House labor & Commerce Comm.  
State Capital  
Juneau, Ak

From: ANSCA Shareholder  
Juneau constituent

*Paul C. Nelson*

RE: House Bill 251

To put this Legislation in proper perspective perhaps your committee could consider a revision to the state election laws that would provide for the following:

- 1/ all potential candidates for the seats you now hold will be required to file all campaign materials in advance with your office, failure to do so subjecting them to civil and criminal penalties.
- 2/ Any potential candidate will be required to obtain the signatures of 25% of the registered voters in his/her district on a nomination petition before being eligible to run.
- 3/ Potential candidates will be limited to ninety days from the time they file their materials with incumbents to secure the necessary nomination signatures.
- 4/ Incumbents may not be challenged for just any reason, challengers must establish judicial cause before attempting to unseat any incumbent.
- 5/ Any incumbent who survives an election challenge may not be thus challenged again for two more terms in office.

While this all borders on the absurd consider the very provisions that House Bill 251 will impose on Native shareholders across the State. Absurd indeed! If it is the will of the majority of us to recall and or replace our respective elected boardmembers so be it. These Corporations do after all belong to the shareholders. The officers and directors are our stewards subject to the will of the shareholders not the other way around. House Bill 251 in any form is an abomination for shareholders. Please feel free to distribute this note to other members of the Committee.

*Paul C. Nelson  
P.O. Box 34203  
Juneau, AK 99803  
789-3140*

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STATEMENT by JOSEPH G. WILSON In Opposition to House Bill 251  
Sealaska & Goldbelt, Inc., Shareholder

April, 1995

Representative Pete Kott  
State House Labor & Commerce Committee

Shareholders in Sealaska, Cook Inlet Region, Inc, and other Alaska Native corporations are captive shareholders because unlike a regular for profit corporation, like Chevron or K-Mart for example, they cannot sell their shares if they become dissatisfied with the direction or performance of the corporation.

When the board of directors or the management ignore the concerns of the shareholders, the only recourse or choice shareholders in an Alaska Native corporation have under State law to bring about change is to recall the entire board of directors.

The Alaska Native Claims Settlement Act (ANCSA) of December 18, 1971 was a Congressional settlement on a grand scale. It was to settle the Alaska Natives aboriginal claims to all the land and resources in Alaska. It authorized 12 regional corporations, some 200 village and urban corporations to be formed throughout the state. Under the enrollment, approximately 70,000 Alaska Natives became the shareholders in these corporations. Each shareholder was issued 100 shares of stock from their respective corporation. The corporations had selection rights to 44 million acres of land and a cash payment to get started.

House Bill 251 relating to Native corporations drastically diminishes the individual shareholder rights for these Alaska Native corporations shareholders to represent themselves in the corporation.

This is a gross misuse of power in our democracy.

It is not fair for the highly paid management, consultants and board of directors to by-pass the shareholders by requesting the legislature to act on HB 251. It will make it virtually impossible for shareholders in these Alaska Native corporations to fairly represent themselves.

I mean no disrespect but it appears to me that the legislators are being duped into doing some dirty work for those making this request. God forbid, but if such a bill passes and those requesting it of you have to answer to their shareholders. They will say they didn't do it - it was done by the legislature. I can only say that these shareholders reside throughout the state and are also registered voters that take an active role, and indeed they may be some of your constituents.

This issue should not even be before the legislature. Our legislature should not be enacting laws restricting the rights of only a certain class of citizens in our state.

It also violates some of our basic civil rights by restricting our freedom of speech.

The proper fair and just forum to resolve this issue is to have the individuals desiring this kind of change take it before their respective corporations. Their shareholders will then have opportunity to consider it by voting for it or against it. If it passes it will thereby amend

their respective Articles of Incorporation and by-laws that govern their elections.

The present Alaska Administrative Code Rules for ANCSA Corporation Solicitation of proxies for the corporations annual meetings and special meetings is overseen by the Alaska Division of Banking, Securities and Corporations.

Under these rules shareholders do not have a fair level playing field in the election process. The rules favor those that are in power to perpetuate themselves. When the management slate is challenged by an independent candidate the board of directors react very strongly by doing anything it takes to win the election. They are in a powerful position because they control the financial and political resources of the corporation. Unlimited financial resources are employed to hire more attorneys, more public relation consultants, more proxy workers.


Proxy workers solicit proxies or votes from the shareholders in the election, paid by the hour and by the proxy they deliver to the corporation. They are motivated by financial incentive from the corporation to collect more and more proxies. There have been many complaints that shareholders are threatened and coerced into signing the corporation proxy. This system also entices proxy workers to forge proxies for the pay and other benefits they may receive from the corporation. There have been many complaints of forged proxies and fraudulent elections.

This legislation does nothing to fix these problems but instead weighs heavily in favor of perpetuating those in power by making it virtually impossible for the shareholders to represent their valid concerns.

It is true that there is much dissention in the ANCSA corporations through out our State. The money someone mentioned as the sole root of these problems and the election issues I have referred to are only the tip of the iceberg.

The issues are more complex than what you see or hear of at this time. In great part it has to do with the struggle of trying to fit our Native values to the corporate America values thrust upon us by ANCSA. In many cases the bottom line of a corporation financial statement does not relate to the tribal values and concerns a shareholder may have about the corporation. The shareholders are expressing it the best they can and for the time being it would be better for the Native community to workout these problems themselves.

For these reasons I speak against House Bill 251.



Joseph G. Wilson  
P.O. Box 021534  
Juneau, AK 99802

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April 5, 1995

*Natives Of Kodiak, Inc.*

Representative Alan Austerman  
House of Representatives  
State Capitol  
Juneau, Alaska 99801

**Re: House Bill No. 251**

Dear Representative Austerman:

Natives of Kodiak, Inc. ("NOK") is an Alaska Native urban corporation with 637 shareholders. We have reviewed House Bill No. 251 and oppose it. It is a poorly written, heavy handed (and probably illegal) attempt to chill the rights of Native corporation shareholders and will subject smaller Native corporations to new and burdensome regulations. House Bill No. 251 will substantially increase the hurdles which shareholders must overcome to petition for a special meeting by:

1. Increasing the number of shares necessary to call a special meeting from 10% to 25% of the outstanding shares.
2. Requiring the petition and all materials to be filed with the corporation as well as with the State Department of Banking and Securities and providing a new filing requirement for smaller Native corporations.
3. Imposing new civil and criminal penalties that are guaranteed to generate litigation, while at the same time inhibiting legitimate shareholder petitions.

The bill also includes several provisions which will apply only to Native corporations, apparently for the protection of existing management, and will not apply to Alaska business corporations in general. We are concerned that this provision violates section 7 (h) (1) of ANCSA [43 U.S.C. 1606 (h) (1)] by depriving only Native corporation stockholders of important rights they have in "a business corporation organized under the laws of the State of Alaska." That the legislation discriminates only against Native corporations is likely to raise constitutional issues as well. The proposed legislation is ambiguous and objectionable enough to say that the only thing it really guarantees is lots of litigation.

Representative Alan Austerman

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April 5, 1995

Even if the proposed law is not illegal, it is bad public policy. Native corporation shareholders are prohibited by federal law from selling their shares. If they are unhappy with their corporations, they cannot sell their shares and buy stock in another corporation. Their only remedy is through the fairly limited avenues of "corporate democracy." We at NOK also want to maintain corporate stability, but we don't think that has to be at the price of stifling all corporate dissent--as HB 251 would surely do. Existing provisions of the Alaska Corporate Code allow 10% of the shareholders of any corporation to call a special meeting. We think that has proven to be a fair requirement, but we don't think you can require only Native corporation shareholders to clear a higher hurdle.

Proposed AS 45.55.920 (e) (Section 5 of the bill) is written in a way that merely on "information a person is about to engage in an act" in violation of AS 10.06.960 (m), the administrator is required to issue an order directing the shareholders to cease and desist and to void any proxies. NOK is a Native corporation, but we do not believe that any "information" a corporation gives the administration is necessarily true. There should at least be a hearing before shareholders are enjoined and their proxies voided. Sections 6 and 7 of the bill also add criminal and civil penalties and a provision which allows Native corporations and shareholders to sue each other for violations of AS 10.06.960 (m). Native shareholders and their corporations are already burdened by too much litigation. These provisions will only add to that burden. It is really odd that a legislature which is trying to limit litigation in some respects appears to be willing to unnecessarily add to it here.

Finally, the bill contains several instances of less than precise drafting or calls for legislation applicable to organizations which probably don't want a change in existing law AS 10.06.960 (m) (Section 2 of the bill) apparently would apply to all Native corporations, including those with less than 500 shareholders. These corporations are specifically exempted from the proxy rules by reason of AS 45.55.139. Without notice and debate this bill would cause them and their shareholders to become subject to new rules, penalties and possible litigation. This is a nice bill for lawyers, but not a nice bill for shareholders. This is a change that is not needed.

While we don't know the reasons for the proposed legislation we can speculate that it is being promoted by those that don't want to take the time to explain to their shareholders why there should be no big dividends, particularly since shareholders acting on their own cannot cause a corporation to pay dividends. They can only vote out directors.

The existing rules and statutes governing petitions for shareholders' meetings are substantially the same as those generally applicable to corporations throughout the United States under the Federal and State Securities Acts. They have struck a balance developed over many years. The proposed bill seems to substantially shift that balance in favor of

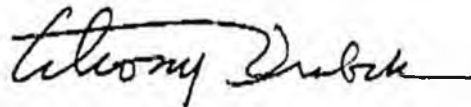
Representative Alan Austerman  
Page 3  
April 5, 1995

existing management. This is not necessarily an advantage to Native corporations and their shareholders. For the reasons we've laid out in this letter, we think HB 251 is an ill-conceived (probably illegal) attempt to stifle Native corporation dissent. If you are not willing to at least extend its provisions to all Alaska business corporations, you should not apply it to any of them--particularly not to Native corporations.

If you have any questions, please call me at (907) 486-3606.

Yours very truly,

NATIVES OF KODIAK, INC.



Anthony Drabek  
President and CEO

cc: Willis Kirkpatrick, Commissioner of Banking and Securities  
Representative Carl Moses  
Representative Bill Williams