

Koniag ousts Board of Directors



By Linda Lord-Jenkins
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Five Koniag Inc. directors have been ousted from the financially troubled Native Regional Corporation and three others including the chairman and vice-chairman, have resigned as a result of last Saturday's annual meeting of the Kodiak Island corporation.

Newly elected Board of Director members are "opposition slate" members Ralph Eluska, Judy Meidinger and Emil Norton.

Defeated after shareholder elections were Allen Panamaroff, Allen Heitman, and Nick Pestirkoff. According to former Koniag board member Frank Pagano, shareholders also recalled Sven Haakenson, and Karl Armstrong.

Koniag chairman Harry Carter and vice-chairwoman Nancy Anderson resigned rather than face a recall vote. Pete Olson resigned for personal reasons, according to Pagano.

The election, which was held June 11 in Kodiak has followed months of problems for the corporation. (Continued on Page Six)

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The regional corporation and representatives from the village corporations of Leisnoi, Inc., Old Harbor Native Corp., and Ahiok-Kaguyak, Inc. have been embroiled in lawsuits challenging a merger between Koniag and the individual village corporations.

Koniag recently was stopped by a state court from continuing with the merger and, because of those suits, other financial dealings of the corporation have been halted or hindered.

Proxy statements sent to Koniag shareholders centered on financial problems of the corporation, especially Carter's recent announcement that the corporation might have to file a "Chapter 11" bankruptcy action to protect the corporation's assets.

In a letter sent to Koniag shareholders by Pagano and former board members Joe Llanos and Frank Peterson, Koniag directors were blamed for bungling management of the corporation's assets and refusing to take actions which could have kept the corporation out of further financial problems.

The Koniag management slate proxy statement was extremely critical of Pagano, Peterson and other dissidents for their suits stopping the mergers.

As of Monday evening, the new directors were closeted in meetings on Kodiak Island. No one answered at Armstrong's home and Carter was not at his Anchorage home.

According to corporate by-laws the empty board seats can be filled by the remaining board members.