

Disclosure Law applies to Native Corporations also

The state Division of Banking and Security today reminded officers and shareholders of Native regional and village corporations that the corporations must comply with Alaska securities filing requirements.

According to Director Julius Brecht, many of the corporations are uncertain about their obligations under the new law. "What the law means," Brecht explained, "is that copies of proxy solicitations, consents, authorizations, annual reports and other materials which tend to influence stockholders must be filed with the division at the same time they are distributed.

"However," he added, "this only applies to material distributed to at least 30 shareholders of corporations having total assets exceeding \$1 million and at least 500 shareholders."

Brecht explained that under the Native Claims Settlement Act, Native corporations were exempted from federal securities requirements, provided the state assumed this regulatory authority. "Because of the void in shareholder protection from fraud, it was necessary for the state to take steps to afford Native shareholders the same protection that shareholders of other corporations enjoy," Brecht said.

"We have no authority to judge the fairness or merits of proxy soliciting material or interfere in such proposals, provided full and complete disclosure has been made," Brecht said. "We simply require that the materials be filed to ensure reliable and fair disclosure to stockholders."

Brecht said that 12 regional corporations and at least 18 village corporations are subject to the law. The known village corporations include: Angoon, Barrow, Bethel, Dillingham, Fort Yukon, Hoonah, Hooper Bay, Hydaburg, Juneau, Kake, Klawak, Kodiak, Kotzebue, Nome, St. Paul, Sitka, Tanana and Unalakleet.