

Sealaska shareholder is angry over losses

To the Editor:

I am a shocked and outraged shareholder of Sealaska Corporation.

I am angry because of the announcement by Chairman of the Board and Chief Executive Officer Byron Mallott, that my corporation lost more than \$25 million under his leadership, in its 1982 operations.

More than \$25 million! That is almost \$1,600.00 for each of our 15,800 shareholders. This huge loss represents the poorest performance ever, by any Sealaska management and Board of Directors. Why?

What is happening to Sealaska Corporation? Where is its highly paid leadership taking us while we pay their generous salaries, per diem, and fringe benefits?

Where are those once highly visible Directors, who told us repeatedly how much their experience, business know-how, and wisdom were needed by Sealaska, in those costly television ads for which our corporation paid, when they campaigned for re-election?

Why didn't the high-priced Sealaska management and the Board of Directors, with its large, costly committee system, foresee this dismal perform-

ance and head it off?

Why weren't the shareholders warned earlier?

Why should the shareholders accept the Chairman's excuses for his failure in leadership? Did he just now discover that we are experiencing inflation, with its high interest rates, and a recession?

Chairman Mallott and his loyal supporters on the board and in his administration have been firmly in control of Sealaska Corporation since July 14, 1978. Mallott and his supporters are directly responsible for what has happened, because they are the top corporate leadership.

Now the Chairman seeks shareholder approval for 'boldly' cutting back on the excessively large staff for which he was largely responsible.

The Chairman seeks shareholder approval for replacing certain top-level management, when it was he who urged their hire and high salaries and praised them as experienced and competent executives.

The Chairman seeks shareholder approval for terminating discussions as to additional acquisitions, when it was common knowledge that Sealaska was already becoming overex-

tended.

Chairman Mallott stepped in to assume the position of Chief Executive Officer, presumably to get Sealaska back on track, when in fact, he was already in control.

So how are changes supposed to happen? Who is kidding whom with that maneuver? But my concerns do not end with our terrible losses.

Will the same management and Board of Directors that caused us to lose \$25 million now mortgage our future by unwisely selling more timber than it should in the current 'soft' market in order to improve its bottom line?

Will this 'leadership' choose the better long-term solution, if to do so would make it look less successful in the short term?

How much timber did we sell when the market was 'soft' because the corporation needed the cash? To what extent has Sealaska, in effect, selectively logged or even high-graded our stands of timber, in order to sell round logs to the Japanese market?

Why haven't the shareholders been given the details of the out-of-court settlement of the

(Continued on Page Twelve)

Angry Sealaska shareholder writes

(Continued from Page Ten)

7(i) lawsuit?

What should be done, considering that Sealaska management, the Board of Directors, and the Board Chairman share the responsibility for our huge losses?

Sealaska should re-organize at the top level. Byron Mallott should be replaced as Chairman of the Board and Chief Executive Officer. He and oth-

er directors should be replaced on the Board of Directors.

The deadwood should be pruned drastically. The 18-member board, with its cliques, should be reduced to nine members, as soon as-is legally possible.

Only Director Jim Edenso, to my knowledge ever wrote about his disagreement with

(Continued on Page Nine)

Borbridge letter

(Continued from Page Twelve)
Sealaska's policies.

Shareholders can anticipate hearing a lot of excuses and promises to do better. Mallott's term as a director will be up, so we know there will be a well-financed and costly campaign to re-elect the Sealaska management slate.

Can we honestly afford to keep them in power? But the issue is much larger, much more important, than many of us realize.

We Alaska Natives have an obligation to the government that enacted the Alaska Native Claims Settlement Act and to the people who supported our quest for justice in 1971. We must show them that their belief that we could make it work was not misplaced.

We must demonstrate to them, and to ourselves, that we can make a change for the better, when change is so clearly called for.

It is now time for a change.

John Borbridge, Jr.

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