

# BSNC statement on filing chapter 11

The Bering Straits Native Corporation issued the following statement on March 4, 1986:

"The Board of Directors of Bering Straits Native Corporation (BSNC) announced that BSNC has filed for reorganization under chapter 11 of the Bankruptcy code. Recent creditor pressure under BSNC was threatening the assets, which BSNC had obtained on behalf of its shareholders under the Alaska Native Claims Settlement Act (ANCSA). The purpose for filing under chapter 11 for reorganization is to protect BSNC's ANCSA assets and lands as well as the income they generate in order to protect the interests of BSNC shareholders.

BSNC is one of 13 regional corporations formed as a result of the passage of ANCSA in 1971. As a regional corporation, BSNC received lands and assets to hold on behalf of its shareholders. If BSNC shareholders are ever to benefit from ANCSA it will be because these lands and assets will eventually generate profits through development. Without taking today's action in filing for reorganization the lands and assets could have been taken and BSNC shareholders would never have benefited from ANCSA.

BSNC has spent the last several years trying to meet financial obligations to its creditors. Virtually all of its available corporate income was spent paying debts incurred as a result of investments made in the early 1970s. Recently a court ruled that BSNC owed approximately \$3 million in payment for National Bank of the North stock which BSNC purchased in 1975. With the \$3 million ruling against BSNC, the corporation has run out of options and is forced to utilize the provisions of chapter 11 to insure that it can survive and become profitable in the future."