

# Bering Straits files against Bank of the North

## BSNC alleges \$31,000,000 handled incorrectly

Richard L. Davis, Jr., Executive Vice President of Bering Straits Native Corporation, announced last week that the Corporation has filed suit in Anchorage Superior Court against Alaska National Bank of the North. The suit, filed on behalf of BSNC individually and as trustee for the 17 village corporations within the Bering Straits region, is based on claims relating to the Bank's administration of BSNC's, the villages' and shareholders' trust funds received under the Alaska Native Claims Settlement Act.

Bering Straits claims that Alaska National Banks of the North received approximately \$31,000,000 of trust fund monies pursuant to a trust relationship and alleges that the bank did not handle the funds it received in accordance with the terms of the trust agreements, state and federal banking requirements, and its fiduciary obligations, which resulted in substantial losses to the trust.

Although Bering Straits' claim is on behalf of itself and as trustee for the 17 village corporations within its region, Sitnasuak Native Corporation, (Nome), the largest Native village corporation within the Bering Straits region, has joined the suit as an individual plaintiff.

## "The suit is without merit ..." says Bank Executive

"The suit is without merit and is an effort by Bering Straits to blame Bank of the North for substantial losses it has incurred as the result of its own mismanagement," said Peter Ramberg, chief executive officer and vice chairman of the Board for Alaska National Bank of the North.

Ramberg said Bering's ill-fated investments were not made on the advice of Bank of the North or its Trust Department, but on the basis of investment decisions by Bering's management and its own investment advisors.

"If Bering had sought Alaska Native Bank of the North's investment counsel, its losses would have been avoided," Ramberg said. "Bering Straits remains today economically viable only because the Bank of the North has carried them over the shoals of bankruptcy."

Ramberg said that Bering Straits Native Corporation has initiated what we (the bank) believe will be an unsuccessful effort to avoid responsibility for its own management decisions. "This litigation will be extremely costly and time-consuming," Ramberg said. "We regret also the effects on Bering Straits' financial position and investments that the action is bound to have."