

# Poll watchers coming to CINA

BY MARGIE BAUMAN

An impartial three-judge election panel selected by the American Arbitration Association will preside over elections Saturday in Anchorage at the annual meeting of Cook Inlet Region, Inc. (CIRI).

The decision was reached late Monday in Alaska Superior Court in Anchorage, with Judge James Singleton noting the compromise was reached without benefit of judicial order in the case.

As a result, dissident stockholders of CIRI have dropped their motion for a preliminary injunction, for the appointment of a special master to conduct the election. "We've worked out a set of election procedures which both sides feel are fair and reasonable," said Edgar Paul Boyko, attorney for the plaintiffs.

"We think it's fine," said CIRI President Roy Huhndorf of the decision. "My biggest concern (right now) is that the business reputation of the corporation is damaged. Just how badly damaged. I have no way of knowing," he said.

Five stockholders of CIRI filed suit two weeks ago charging the management of CIRI with fraud, improper campaign practices, financial mismanagement and attempts at a cover-up. Huhndorf charged that it was a "campaign gimmick...to bring before the public their falsehoods and half-truths which the state's truth-in-proxy solicitation laws prevent them from doing."

Singleton told the Tundra Times Tuesday, however, that he was pleased with the election compromise reached. "I was most impressed generally with the maturity shown and the concern of all of them in doing what is right for the shareholders," Singleton said. "(The decision) was not a decision by an outsider. It was essentially a family matter, decided within the confines of the family."

## Undated Proxies

Part of the election agreement is that undated proxies will be counted only if there is no dated proxy from the same stockholder. Otherwise, the dated proxy will supercede an undated proxy, no matter when the dated proxy or undated one was given. Any stockholders who have challenges on proxies will have a right to an informal hearing before the election judges.

There had been charges from the five stockholders who filed suit against CIRI that some board members were asking stockholders not to date proxies, so that at another time they could be dated later than any other proxies, in order to be counted.

## Case Goes On

Meanwhile, Boyko notes that the only motion withdrawn was the motion for a special master of the election. "There's been no finding on any of the other charges. The case is going forward. We are planning to have last year's proxies examined by a handwriting expert and a spectographic analysis, to determine whether all the entries on all the proxies were made with the same ink and the same pen."

Another unresolved issue is the charge of dissident shareholders that \$2 million received in a natural gas development option should NOT have been claimed as income. With placement of that \$2 million in the income columns of CIRI's annual report, the company shows profits of over \$500,000 for 1977.

Huhndorf said the decision to place the \$2 million figure in the income column was entirely legal; that CIRI had more than enough expenses connected with this revenue to offset that amount. "All of this is disclosed in our annual report," he said.

"Cook Inlet received \$2 million in 1977 as an advance that would be credited against the purchase of gas, starting sometime in 1982 or thereafter, if the gas company decides to exercise the option," said George Kriste, vice president of administration for CIRI. Should Pacific Lighting Gas Development Company decide NOT to exercise that option, they have no other right, title or interest. If they exercise the option, they will always pay Cook Inlet the highest price in Cook Inlet for their gas at the time they take it and will apply that \$2 million as a credit against the future price."

The issue remains whether that initial \$2 million or any portion of it is governed by Section 7(i) of the Alaska Native Claims Settlement Act. That legislation directs that natural resources revenues must be divided by a set formula between the 12 regional Native corporations in Alaska.