

Bering Straits Native Corporation

survives bankruptcy challenge

From the BERING STRAIGHTS

One of the clouds of financial doubt hanging over the Berings Straits Native Corporation since late last year was blown away September 6 in Anchorage Federal District Court.

Federal Bankruptcy Court Judge Douglas Williams dismissed a suit which had petitioned for — among other things — the involuntary bankruptcy of the Native corporation, according to Berings Straits Executive Director Richard Davis.

In the suit filed last November 28th, K. V. Beck and Associates of Seattle — former owners of Central Construction Company before Berings Straits bought that firm — alleged that the Native Corporation owed Beck more than \$1.3 million since 1975 for the purchase of Central and had committed an act of bankruptcy in August, 1977 by transferring some assets of Berings Straits to the Alaska National Bank. Beck had asked the Court to declare Bering Straits bankrupt, alleging that the Corporation was insolvent anyway.

However, Judge Williams — in apparent disagreement with Beck's allegations — dismissed

the suit, saying that Beck did not have sufficient grounds to ask for a bankruptcy declaration.

Judge Williams reportedly found that the present condition of the Native Corporation did not meet criteria under Federal law for an involuntary declaration of bankruptcy and Bering Straits is not apparently insolvent ... which means that the corporation's assets are greater than its liabilities.

Bering Straits Executive Director Richard Davis says removal of the possibility of an involuntary bankruptcy will allow the corporation to stand on its own financial legs again.

Most important effect of the dismissal, he says, will be the lending attitude of banks and other financial institutions toward Bering Straits. Davis wants to refinance all of the corporation's short-term loans into long-term loans at lower interest rates.