

Koniag payment, merger benefit economy

During September Koniag mailed checks totaling \$2,659,244 to its stockholders who are enrolled "At-Large" and to Natives of Kodiak, Inc. The average check was \$2,602 for 100 shares, according to Koniag President J.F. Morse. Morse points out that the majority of these dollars went into the local economy.

"In addition, it is anticipated that an additional \$3,523,800 will be mailed in early December to stockholders of six village corporations if those stockholders vote approval for a Plan of Merger in early December. The average check for those stockholders - per 100 shares - will amount to about \$2,100", Morse said. "Much of this goes directly into the local economy", Morse points out. The village corporations whose directors have already approved placing the merger question before their shareholders for a vote are: Afognak Native Corporation, (Afognak and Port Lions); Leisnoi, Inc., ((Woody Island); Nu-Nachk-Pit, Inc., (Larsen Bay); Old Harbor Native Corporation; Karluk Native Corporation and Akhiok-Kaguyak, Inc.", he said.

"In addition to the cash distribution, the Plan of Merger provides that each village stockholder will receive 100 shares of Class B Koniag, Inc. stock ("At-Large" stock). They already own and will retain their 100 shares of Class A Koniag, Inc. stock", Morse said.

"The Plan of Merger also has a provision which allows for stockholders to establish a new non-profit organization which would in turn make land available for use by stockholders. The non-profit organization would reserve certain amounts of land to administer. It is anticipated that ultimately each village stockholder who desires, will be able to have at least one acre of land either in fee simple or long-term leasehold. The land decisions for individuals will be handled by the non-profit organizations established for that purpose", Morse pointed out.

All other land, assets, land liabilities would be merged and under jurisdiction of one survivor corporation, Koniag, Inc.

"The merger, when accomplished, will allow for enormous corporate savings by consolidation of the assets and elimination of duplications of costly administrative, legal, financial and auditing services", he points out. "In the event a village corporation's stockholders vote not to merge, those stockholders then will have to make decisions about cash, land and distributions for their stockholders. "The decision is entirely up to the stockholders themselves", Morse points out.