

Designed for youths

St. Mary's sets up new corporation

ST. MARY'S — St. Mary's Native Corp. shareholder have voted unanimously to restrict the corporation's stock.

During their annual meeting here in mid-November they also incorporated a new wholly owned non-profit subsidiary whose members consist exclusively of the descendents of the corporation's original shareholders.

That action climaxed a two-year search by St. Mary's board for an answer to problems associated with December 1991 when Native corporations' stock may be sold on the open market.

According to St. Mary Corp. General Manager Paul Dixon, major problems include what to do with Natives born after Dec. 18, 1971.

If they were to be admitted as

stockholders in corporations created by the Alaska Native Claims Settlement Act, the impact on stock values with attendant demands by dissenters could lead to bankruptcy, he said.

He also expressed fear that loss of Native control over ANCSA corporations would lead to loss of land to current and future generations.

With an eye on Alaska Federation of Natives' efforts to secure solutions through Congressional legislation, St. Mary's embarked on an investigation of what might be accomplished within existing law, Dixon said.

The result was a three-stage plan that creates a membership — not stockholder — entity of children born to ANCSA corporation stockholders; defines a path through which existing ANCSA stock can be acquired and

held by the children as a group; and creates provisions in the non-profit corporation's bylaws to meet special needs.

"We do not believe," said Board Chairman Andrew Paukan, "that anything we have done will conflict with AFN objectives now or in the near future.

"In fact," he said, "we may have discovered a desirable alternative to the protection of our shareholders' interests, at least in the short run.

"If AFN succeeds in its objectives under present proposals, it would simply add to our shareholders' options.

"In the meantime, we feel comfortable in the solution to major AFN

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ANCSA corporation may be phased out

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concerns in which we share," Paukan said.

"We welcome a critique from anyone, but so far, we have not encountered a single objection or major stumbling block to our plan."

The name of the new corporation subsidiary is St. Mary's Yunerrait (new members) Corp. Original enrollment is expected to be about 300. The current ANCSA corporation's shareholder list is 301.

"Restricting the Yunerrait membership to descendents of the original ANCSA shareholders channels our inheritance where we want it to go," Paukan said.

"It does not dispossess the one-half of our shareholders that live outside our village."

Yunerrait members who receive stock in the parent ANCSA corporation will automatically transfer out of the Yunerrait Corp. to the ANCSA corporation shareholder list, he explained.

However, that will not prevent the Yunerrait member from holding stock inherited from other ANCSA corporations.

Those attending the meeting voted unanimously to amend the current ANCSA articles of incorporation to restrict the voting rights of all stock to Natives only, and to require any shareholder who wants to sell his stock to offer it first to the corporation then to the shareholder's immediate family.

A planned bylaw adopted in principle at the meeting will require the cor-

poration to defer to the shareholder's family if family members inform the corporation of their interest.

These provisions do not prevent any non-Native individual or corporation from owning stock and receiving dividends, Paukan said.

"They simply will not be able to vote that stock at the ANCSA corporation's meetings. The non-Native would also continue to have the right to speak and attend meetings."

The provisions also initiate a path through which the parent ANCSA corporation's stock can flow to the Yunerrait Corp. where it will be held in ownership as a group, he explained.

Additional stock can be conveyed to children and their descendents through wills, donation or direct or indirect purchase, Paukan said.

Eventually, he noted, those children will become the majority stockholders of the parent corporations and thus in full control of its assets including money, lands, equipment, property, investment portfolios, and other property.

The original ANCSA corporation may be phased out, in the view of current board members.

"Since the children are now their own legal entity, they may accept and manage their inheritance to suit their own time and circumstance," Paukan said.

"Their corporation also becomes a training ground overseen by their elders (the board of directors) and they have good reason now to start paying attention to what is going on and not be feeling left out," he concluded.

In other matters, shareholders re-elected four directors to new one-year terms — Andrew Paukan, chairman; John Thompson, Sr., vice chairman;

Margaret Kamuck, Secretary/Treasurer; and Ted Westdahl, member. Raphael Mike was elected to the remaining seat.