

## Open Enrollment Q&A

The Gana-A'Yoo, Limited Board of Directors recommends awarding 25 shares to eligible descendants with a one-quarter blood quantum. These shares are life estate. Shares are non-voting until the shareholder is 18 years of age.

If the Gana-A'Yoo Board of Directors moves forward with this ballot initiative at a future date you must be able to answer "yes" to all the criteria below:

1. I am a direct descendant by birth of an original Gana-A'Yoo, Limited Class A, B, C or D shareholder who received their shares directly from Gana-A'Yoo, Limited, not through gifting or inheritance.
2. I was born after December 18, 1971.
3. I have at least one-quarter Alaska Native blood quantum.
4. I have not enrolled as a descendant in another ANCSA Village Corporation.
5. I am a U.S. citizen.
6. If you were adopted by one or both parents who are an original Gana-A'Yoo, Limited Class A, B, C, or D shareholder you may be eligible, however, Alaska Native blood quantum CAN ONLY be established through biological parent(s).

### **Q. If there is a new enrollment when will descendants born after 1992 be enrolled to Gana-A'Yoo?**

A. All descendants of original shareholders born after 1971 would be eligible to enroll into Gana-A'Yoo, Limited. However, you are not eligible to be enrolled in two village corporations at the same time, per ANCSA laws. Shareholders who have received gifted or inherited shares will be eligible for open enrollment.

### **Q. How many new shareholders would be enrolled if this vote passes?**

A. Based on projections from a recent Doyon enrollment demographic study of our shareholders, it is estimated there would be approximately 1,910 to 2,170 descendants eligible for enrollment right away.

### **Q. When would Gana-A'Yoo, Limited stop enrolling new descendants?**

A. After 100,000 additional shares or 10 years, whichever comes first.

### **Q. How would open enrollment affect voting strength?**

A. If enrollment is opened, descendants of original shareholders would receive new shares and they would be able to vote those shares in Gana-A'Yoo, Limited elections. This would reduce voting strength of original shareholders, meaning they would have decreased control in decisions that are voted on at Gana-A'Yoo.

### **Q. How do you explain dividend dilution?**

A. As far as stock dividends are concerned, "dilution" is determined by the number of new shares that are added to the number of existing shares.

## Example

Taking it to the simplest level, say a corporation has \$4 to pay dividends. If there are four people enrolled to the corporation, they would each receive \$1. If you add one shareholder, you must split the same \$4 into five shares, resulting in a reduced dividend of \$0.80 per share. The difference between a \$1 dividend and an \$0.80 dividend is called "dilution." The overall total distribution amount to shareholders remains the same.

### **Q. Why not gift shares instead?**

A. The founders of the Alaska Native Claims Settlement Act (ANCSA) held the original intent that all original shares would be passed on to future generations by gifting or inheritance. This directly supports why some shareholders think that the next generations will inherit the stock regardless and believe that enrollment should stay closed. However, only about half of the shares, gifted or inherited, are being passed on to those born after the deadline of December 17, 1971, the date of the original enrollment. Many of the shares are being inherited by people who either already had original shares or were born prior to the 1971 deadline.

### **Q. Why ¼ blood quantum?**

A. The Alaska Native Claims Settlement Act defined Native as: a citizen of the United States who is a person of ¼ degree or more Alaska Indian (including Tsimshian Indians not enrolled in the Metlakatla Indian Community), Eskimo or Aleut blood, or combination thereof. This means only Alaska Native people of blood quantum were eligible to be enrolled in an Alaska Native corporation (regional or village). In our past surveys, 61 percent of shareholders responding to the survey indicated they want to see a ¼ blood quantum requirement in place. " We must instill good stewardship in our youth and include them in decisions affecting their future." - Monica Riedel, former Gana-A'Yoo director and shareholder relations committee member

### **Q. What are life estate shares?**

A. Life estate shares only exist for the lifetime of the shareholder to whom they have been issued. This stock ceases to exist upon the death of that shareholder. The shares cannot be passed along by gifting or inheritance. The number of life estate shares owned by the shareholder who has passed away are returned to the corporation.

### **Q. What is a descendant?**

A. A descendant is someone who was born or adopted by an original Gana-A'Yoo shareholder. Original shareholders received their shares directly from Gana-A'Yoo, not through gifting or inheriting. If you are eligible and approved for open enrollment, you will then be considered an original shareholder.

**Q. Why December 18, 1971?**

A. Only those Alaska Native people of  $\frac{1}{4}$  blood quantum who were born on or before 11:59 p.m. on December 18, 1971, were eligible to enroll in Alaska Native regional and village corporations. Those born on December 19, 1971, or after were not eligible. For example, several of our current board members received their shares through gifting or inheritance and would otherwise not be shareholders, therefore, unable to fill a board seat.