

CASE DESCRIPTION – SUPERIOR COURT

Case Number: 3AN-23

This form is **not** required for cases filed electronically through TrueFiling. For District Court cases, use form CIV-125D.

Type of Action		For Court Use Only	
Check the box that best describes the case. Mark one box only.		Case Type	Action Code
Domestic Relations			
<input type="checkbox"/>	Spouses with Minor Children (or pregnant) Agree on All Issues to End Marriage	Div or Cust w/Children	CISUDVC
<input type="checkbox"/>	Spouses with Minor Children (or pregnant) do not Agree (or are unsure) on All Issues to End Marriage	Div or Cust w/Children	CISDVC
<input type="checkbox"/>	Spouses without Minor Children (and not pregnant) Agree on All Issues to End Marriage	Divorce without Children	CISUDIV
<input type="checkbox"/>	Spouses without Minor Children (and not pregnant) do not Agree (or are unsure) on All Issues to End Marriage	Divorce without Children	CISDIV
<input type="checkbox"/>	Unmarried Parents Agree on Parenting Plan	Div or Cust w/Children	CISUCUS
<input type="checkbox"/>	Unmarried Parents do not Agree (or are unsure) on Parenting Plan	Div or Cust w/Children	CISCUS
<input type="checkbox"/>	Child Custody or Visitation by Person other than Parent	Domestic Relations Other	CIVIS
<input type="checkbox"/>	Property Division – Unmarried Partners	Domestic Relations Other	CISPROP
<input type="checkbox"/>	Stay Legally Married (have minor children or pregnant) - Agree on Property/Debt Division and Parenting Plan	Legal Separation	CIUCLS
<input type="checkbox"/>	Stay Legally Married (have minor children or pregnant) - do not Agree (or are unsure) on Property/Debt Division or Parenting Plan	Legal Separation	CICLS
<input type="checkbox"/>	Stay Legally Married (no minor children and not pregnant) - Agree on Property/Debt Division	Legal Separation	CIUSLS
<input type="checkbox"/>	Stay Legally Married (no minor children and not pregnant) – do not Agree (or are unsure) on Property/Debt Division	Legal Separation	CISLS
<input type="checkbox"/>	Annul (void) a Marriage	Domestic Relations Other	CIANNUL
<input type="checkbox"/>	Paternity – Determine Person is Biological Father	Domestic Relations Other	CISPAT
<input type="checkbox"/>	Paternity – Determine Person is not Biological Father	Domestic Relations Other	CIDPAT
<input type="checkbox"/>	Paternity – Determine Both Biological and Non-Biological Father	Domestic Relations Other	CIDEPAT
<input type="checkbox"/>	Genetic Testing - Failure to Comply with Order for Testing	Domestic Relations Other	CIOSCP
<input type="checkbox"/>	Administrative Child Support Order – Modify or Enforce	Domestic Relations Other	CIPCS
<input type="checkbox"/>	Alaska PFD or Native Dividend – Request Order	Domestic Relations Other	CIPND
<input type="checkbox"/>	Petition for Expedited Enforcement of Non-Registered Custody Order	Domestic Relations Other	DR488
<input type="checkbox"/>	Register Out-of-State Support Order (may include motion)	Domestic Relations Other	CIUIFSA
<input type="checkbox"/>	Register Out-of-State Custody Order (may include stipulated motion)	Domestic Relations Other	DR483REG
<input type="checkbox"/>	Register Out-of-State Custody and Support Order (may include stipulated motion)	Domestic Relations Other	CIFCSREG
<input type="checkbox"/>	Register and Modify Out-of-State Order Custody Order	Domestic Relations Other	DR483
<input type="checkbox"/>	Register Out-of-State Custody and Support Order and Modify Support Only [If modifying custody, use option below]	Domestic Relations Other	CIFCSMS
<input type="checkbox"/>	Register and Modify Out-of-State Custody and Support Order	Domestic Relations Other	CIFCSMC
<input type="checkbox"/>	Register Out-of-State Domestic Relations Order (not custody or support)	Domestic Relations Other	CIDRFJ
Debt/Contract			
<input type="checkbox"/>	Debt Collection	Civil Superior Court	CISDEB
<input type="checkbox"/>	Claim by Buyer against Seller of Goods/Services	Civil Superior Court	CISCLAIM
<input type="checkbox"/>	Employment – Discrimination	Civil Superior Court	CISEMPD
<input type="checkbox"/>	Employment – Other than Discrimination	Civil Superior Court	CISEMP
<input type="checkbox"/>	Other Contract	Civil Superior Court	CISOCT
Real Property (land or buildings)			
<input type="checkbox"/>	Condemnation	Civil Superior Court	CISCNDM
<input type="checkbox"/>	Foreclosure	Civil Superior Court	CISFOR
<input type="checkbox"/>	Quiet Title (establish ownership)	Civil Superior Court	CISQIT
<input type="checkbox"/>	Real Property Tax Foreclosure	Superior Court Misc. Petition	CISTAX
<input type="checkbox"/>	Other Real Estate Matter	Civil Superior Court	CISREM
Landlord/Tenant			
<input type="checkbox"/>	Eviction (may include rent and damages)	Eviction-Superior Court	CISFED
<input type="checkbox"/>	Other Landlord/Tenant (no eviction)	Civil Superior Court	CISLT

Malpractice (misconduct while engaged in professional services)			
	Legal Malpractice	Civil Superior Court	CISLMP
	Medical Malpractice	Civil Superior Court	CISMMP
	Other Malpractice	Civil Superior Court	CISOMP
Tort (unlawful act that causes harm, other than breach of contract)			
	Wrongful Death	Civil Superior Court	CISPID
	Automobile Tort (but not wrongful death)	Civil Superior Court	CISIDA
	Claim against Owner of Real Property for Personal Injury	Civil Superior Court	CISPIO
	Product Liability (defective item from manufacturer or seller)	Civil Superior Court	CISPL
	Intentional Tort (for example: assault, battery, vandalism)	Civil Superior Court	CISIT
	Slander/Libel/Defamation	Civil Superior Court	CISSLD
	Other Tort	Civil Superior Court	CISIDO
	Approval of Minor Settlement – Civil Petition <i>[May also be filed as probate case.]</i>	Superior Court Misc Petition	CISPET
Out-of-State Judgment [For Domestic Relations judgments, select from last seven options under that category.]			
	Registration of Out-of-State Money Judgment	Foreign Judgment Superior Ct	CISFOJ
	Registration of Out-of-State Non-Money Judgment	Superior Court Misc Petition	CISFNMJ
Other Civil			
	Election Contest or Recount Appeal	Civil Superior Court	CISELE
	Change of Name - Adult	Change of Name	CICON
	Change of Name - Minor	Change of Name	CICONM
	Confession of Judgment (all sides agree to entry of court order - not domestic relations)	Civil Superior Court	CISCONF
	Structured Settlement – AS 09.60.200	Superior Court Misc Petition	CISSS
	Administrative Agency Proceeding – Request for Court Assistance	Superior Court Misc Petition	CISWRNT
	Arbitration - Action under Uniform Arbitration Act	Civil Superior Court	CISAP
	Fraud	Civil Superior Court	CISFRAUD
	Unfair Trade Practice and Consumer Protection	Civil Superior Court Clerk: Issue form CIV-128	CISUTP
	Writ of Habeas Corpus (request for review of legality of detention)	Civil Superior Court	CIWHC
	Fish & Game - Abatement & Forfeiture of Equipment	Superior Court Misc Petition	CISAF
	Appointment of Trustee Counsel	Superior Court Misc Petition	CISTC
	Action under Alaska Securities Act	Civil Superior Court	CISASA
	Quarantine and Isolation	Superior Court Misc Petition	CISQI
X	Other Superior Court Complaint	Civil Superior Court	CISOCI
	Other Superior Court Petition	Superior Court Misc Petition	CISPET
Post-Conviction Relief to Superior Court			
	Post-Conviction Relief (after felony or misdemeanor conviction and sentencing in superior court)	Post-Conviction Relief-Sup Ct	CISPCR
Appeal to Superior Court - From Administrative Agency			
	Election Contest or Recount Appeal <i>[See Other Civil category.]</i>		
	Department of Motor Vehicles (DMV) Appeal	Appeal from Admin Agency	CIADDMV
	Employment Security and Unemployment Benefits Appeal	Appeal from Admin Agency	CIADRESA
	Administrative Agency Appeal - Other	Appeal from Admin Agency	CIADR
	Request for Relief from Child Support Services Division (CSSD) License Action	Petition for Review or Relief	CICSED
	Request for Review of Non-Final Administrative Agency Decision	Petition for Review or Relief	CIPRA
	Request for Relief from Administrative Agency Delay - AS 44.62.305	Petition for Review or Relief	CIPRLF
Appeal to Superior Court - From District Court			
	Civil Appeal	Appeal from District Court	CIACI2
	Criminal Appeal	Appeal from District Court	CIACRM
	Minor Offense Appeal	Appeal from District Court	CIAMO
	Small Claims Appeal	Appeal from District Court	CIASC
	Request for Review of Civil, Criminal, or Minor Offense Case Decision	Petition for Review or Relief	CIPRD2

For more information on how to determine whether to file in Superior Court or District Court, see form **CIV-126, Information Sheet - Superior vs. District Court**

1 The Law Office of Brian T. Duffy
2 310 K Street, Suite 200
3 Anchorage, Alaska 99501
4 (907) 264-6677 (o)
5 brian@whitelotuslaw.com

6 IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
7 THIRD JUDICIAL DISTRICT AT ANCHORAGE

8 Amanda Bremner and Jay Stevens)
9 Plaintiffs,)
10 v.)
11 Yak-Tat Kwaan Incorporated, Donald)
12 Bremner, Teri Ann Bogren, Shari)
13 Jensen)
14 Defendants.) Case No. 3AN-23-_____CI

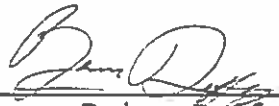
15 **ENTRY OF APPEARANCE**

16 Brian T. Duffy enters an appearance on behalf of plaintiffs
17 Amanda Bremner and Jay Stevens and may be served and contact at
18 the following:

19 The Law Office of Brian T. Duffy
20 310 K Street, Suite 200
21 Anchorage, Alaska 99501
22 (907) 264-6677 (o)
23 brian@whitelotuslaw.com

24 DATED at Anchorage, Alaska, this 5th day of May 2023.

25 The Law Office of Brian T. Duffy
26 Attorney for Plaintiff

27 By 
28 Brian Duffy
AK Bar No. 0307036

1 The Law Office of Brian T. Duffy
2 310 K Street, Suite 200
3 Anchorage, Alaska 99501
4 (907) 264-6677 (o)
5 brian@whitelotuslaw.com

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

6 Amanda Bremner and Jay Stevens)
7)
8 Plaintiffs,)
9)
10 v.)
11)
12 Yak-Tat Kwaan Incorporated, Donald)
13 Bremner, Teri Ann Bogren, Shari)
14 Jensen)
15 Defendants.) Case No. 3AN-23-_____CI

16
17
18
19
20
21
22
23
24
25
26
27
28
COMPLAINT FOR INJUNCTIVE RELIEF

16 Amanda Bremner and Jay Stevens seek an injunction directing
17 Yak-Tat Kwaan Incorporated, the Alaska native village corporation
18 for Yakutat to promptly hold a lawful annual meeting of the
19 shareholders with all nine seats on the board of directors up for
20 election. The terms of all nine directors have expired. The
21 incumbent directors hold their seats and control of the
22 corporation because of their fraud and breaches of fiduciary duty.
23 Additional facts that require the Court to order a shareholder
24 meeting with all nine seats up for election include:

25 1. Amanda Bremner is a resident of Anchorage, Alaska, and a Yak-
26 Tat Kwaan Incorporated shareholder.

27
28 BREMNER V. YAK-TAT KWAAN INC.
COMPLAINT FOR INJUNCTIVE RELIEF

1 2. Jay Stevens is a resident of Oregon and a Yak-Tat Kwaan
2 Incorporated shareholder.

3 3. Yak-Tat Kwaan Incorporated (the "Corporation") is the Alaska
4 Native village corporation for Yakutat Alaska.
5

6 4. Donald Bremner is a resident of Juneau, Alaska, and is listed
7 as the President of the Corporation.

8 5. Teri Ann Bogren is a resident of Anchorage, Alaska, and is
9 listed as the Secretary of the Corporation.

10 6. Shari Jenson is a resident of Yakutat, Alaska, and is acting
11 as the Chief Executive Officer of the Corporation.
12

13 7. The Corporation has not held an annual shareholder meeting
14 in over 13 months.

15 8. According to Alaska Statute § 10.06.405(a), the Superior
16 Court may summarily order an annual meeting of shareholders to be
17 held.
18

19 9. All nine members of the board of directors have served the
20 three-year terms provided for in the Bylaws and are up for election
21 at the next annual meeting of shareholders.

22 10. The incumbent board of directors has taken steps to
23 unlawfully extend their terms in office by canceling shareholder
24 meetings, voiding shareholder proxy votes, and preventing
25 shareholders from electing directors of their choice. To conceal
26

1 this scheme, the board distributed false financial reports to
2 shareholders.

3 11. The Corporation noticed the 2021 annual meeting for November
4 12, 2021, then postponed the meeting when the incumbent directors
5 realized they would lose the election. The postponed 2021 annual
6 meeting of shareholders was set for January 8, 2022.

7
8 12. After the board realized the incumbent directors would never
9 get the votes to retain their seats, the board canceled the
10 election and voided all the proxy votes.

11
12 13. In a letter to shareholders dated December 23, 2021,
13 President Bremner, purporting to be writing on behalf a unanimous
14 board of directors, stated the board of directors voided the
15 shareholder's proxy votes to preserve the integrity of the
16 election.

17
18 14. President Bremner's letter stated the reason the board of
19 directors took this unusual action was as follows:

20 During the course of the election cycle, allegations were
21 made regarding the Corporation and its financial health,
22 which the Yak-Tat Kwaan determined were false and
23 misleading. For example, a candidate alleged that the
24 current Yak-Tat Kwaan leadership is "jeopardizing the
ownership of our lands and the financial health of our
village corporation." This could not be further from the
truth. **Attachment A.**

25 15. In fact, when the board canceled the election and President
26 Bremner sent his letter, the Corporation's ownership of the
27

1 Alaska Native Claims Settlement Act ("ANCSA") lands and its
2 financial health were in jeopardy.

3 16. President Bremmer's letter displayed a chart that reported
4 the Corporation achieved \$1,769,066 in profits for the fiscal year
5 2021. The figures and years in the chart are false. Distributing
6 this false information to shareholders to justify unlawfully
7 canceling an election was fraudulent and a breach of the directors'
8 fiduciary duty.
9

10 17. To date, the Corporation has not distributed the audited
11 consolidated financial statements for 2021 in violation of AS §
12 10.06.433(a). Nor has President Bremner or the corporation
13 corrected the false information it presented to shareholders as a
14 justification for canceling the election and the shareholders
15 votes.
16

17
18 18. Since canceling the shareholder meeting and voiding the
19 shareholder proxy votes, the board of directors has been unable
20 to convene a shareholder meeting with a quorum.

21 19. On November 7, 2022, the State of Alaska Department of
22 Commerce, Community, And Economic Development Division Of Banking
23 And Securities issued enforcement Order No. 22-15-2-S finding,
24 among other violations, the Corporation violated securities law
25
26

1 by not providing an annual financial report for the fiscal year
2 2021. **Attachment B.**

3 20. Until the corporation has distributed audited financial
4 statements, the board of directors is unable to solicit proxies
5 for a shareholder meeting in compliance with 3AAC08.345. Because
6 of the disperse ownership of ANCSA corporation stock, the common
7 way corporations achieve a quorum is through the board of
8 directors using corporate resources to solicit proxies. The
9 incumbent board of directors is unable to govern this corporation
10 without the intervention of the superior court and injunctive
11 relief. And the Corporation faces critical decisions that need
12 to be addressed by a lawfully elected board of directors.
13

14
15 21. By Complaint on Guaranty filed March 31, 2023, in the United
16 States District Court for the Western District of Washington at
17 Seattle, Agwest Farm Credit, PCS sued the Corporation for money
18 judgment of more than \$13,301,336.39 for breach of a guaranty
19 agreement the Corporation entered on behalf of its subsidiary Yak
20 Timber Inc. **Attachment C.**
21

22 22. The Complaint alleged that a wholly owned subsidiary of the
23 Corporation and the Corporation failed to pay more than
24 \$13,301,336.39 due. In addition, the Corporation failed to comply
25 with its financial reporting covenants to Agwest Farm Credit.
26

1 23. According to the last audited financial statement the
2 Corporation sent to shareholders, the Total Liabilities and
3 Stockholder's Equity, excluding the value of ANCSA lands, was
4 \$9,538,406 on December 31, 2020. **Attachment D.** The total assets
5 of the corporation, excluding ANCSA lands, are not sufficient to
6 pay the debt due to Agwest Farm Credit.
7

8 24. The Corporation's guaranty agreement to Agwest Farm Credit
9 is secured by the Corporation's real property interests in lands
10 conveyed to it by ANCSA. Thus, the Corporations inability to pay
11 the debt to Agwest Farm Credit threatens the Corporations ability
12 to maintain control over its ANCSA lands.
13

14 25. Several shareholders of the Corporation are prepared to
15 solicit proxies to secure a quorum, and at least nine shareholders
16 are prepared to run for election to the nine seats up for election
17 at the next annual meeting of shareholders.
18

19 26. The current officers and directors of the Corporation have
20 unlawfully maintained their positions beyond their three years
21 terms in office by acts of fraud and breaches of their fiduciary
22 duty, such the executives and directors lack lawful authority to
23 engage in business on behalf of the Corporation.
24

25 27. Injunctive relief from the superior court is necessary to
26 assist shareholders in electing a lawful board of directors for
27

1 the Corporation, its creditors, shareholders, and the descendants
2 of shareholders.

3 **Claims for Relief**

4
5 Amanda Bremner and Jay Stevens ask the Court for injunctive
6 relief directing the Corporation, President Bremner, Secretary
7 Bogren, and Chief Executive Officer Jensen to take all steps
8 necessary and required to conduct a lawful annual meeting of
9 shareholders with nine seats up for election.

10
11 Amanda Bremner and Jay Stevens ask for a declaratory judgment
12 that the current officers and directors of the Corporation have
13 unlawfully maintained their offices by fraud, breaches of
14 fiduciary duty, and failure to comply with financial reporting
15 requirements of state and federal law.

16
17 Amanda Bremner and Jay Stevens ask the Court for leave to
18 amend this Complaint to add as defendants any persons who engage
19 transactions with the Corporation with knowledge that the current
20 board of directors has used fraudulent means to maintain their
21 positions.

22
23 Amanda Bremner and Jay Stevens ask the Court for leave to
24 amend this Complaint and any other relief in favor of the Yak-Tat
25 Kwaan Incorporated shareholders regaining lawful control of their
26 Corporation that the Court deems proper.

1 Amanda Bremner and Jay Stevens ask the Court for attorney
2 fees and costs of bringing this action.
3

4
5 DATED at Anchorage, Alaska, this 5th day of May 2023.

6 The Law Office of Brian T. Duffy
7 Attorney for Plaintiff

8 By  _____

9 Brian Duffy
10 AK Bar No. 0307036
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27



December 23, 2021

RE: 48TH Annual Meeting of Shareholders

Dear Shareholder:

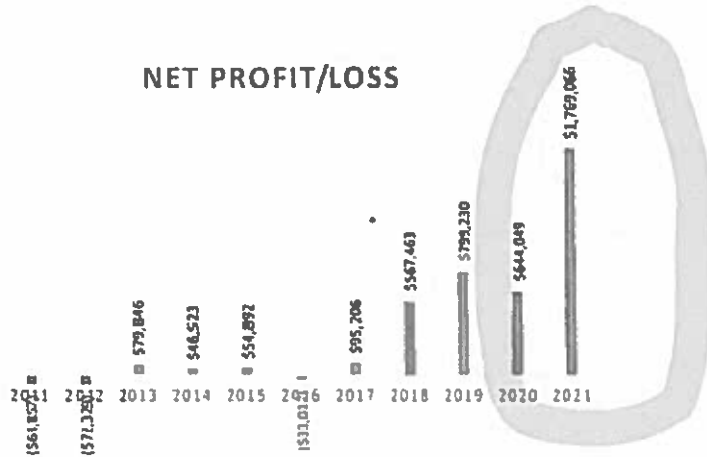
The Yak-Tat Kwaan board of directors are writing to notify you that at its meeting on December 22, 2021, the board voted unanimously to cancel the 48th Annual Meeting of shareholders, which was scheduled to take place on January 8, 2022. The board of directors took this action to preserve the integrity of the election process and provide further opportunity to engage with the shareholders. Details of a newly scheduled annual meeting date are below.

Under Alaska State law, proxy statements must be free from materially false or misleading statements. These laws ensure transparency and allow shareholders to make informed decisions about how to vote, thereby protecting the integrity of an Alaska Native Corporation's election of directors. Under the Alaska Administrative Code:

3 AAC 08.315. False or misleading statements (a) A solicitation may not be made by means of a proxy statement, proxy, notice of meeting, or other communication that contains a material misrepresentation. A misrepresentation is a statement that, at the time and under the circumstances in which it is made (1) is false or misleading with respect to a material fact; (2) omits a material fact necessary in order to make a statement made in the solicitation not false or misleading; or (3) omits a material fact necessary to correct a statement, in an earlier communication regarding the solicitation of a proxy for the same meeting or subject matter, which has become false or misleading. A misrepresentation is material if there is substantial likelihood that a reasonable shareholder would consider it important in deciding how to vote. A series of statements or omissions that are objectively false or misleading, but which might not be material misrepresentations if considered separately, might be material misrepresentations if there is a substantial likelihood that a reasonable shareholder would consider the series important in deciding how to vote. Subjective proof that one or more shareholders actually granted a proxy because of a misrepresentation is not required.

During the course of the election cycle, allegations were made regarding the corporation and its financial health, which Yak-Tat Kwaan determined were false and misleading. For example, a candidate alleged that the current Yak-Tat Kwaan leadership is "jeopardizing ownership of our lands and the financial health of our village corporation." This could not be further from the truth. Based on our past ten years of audited financials, our net profit has significantly risen after very low profits, as well as losses (in red) as follows:

NET PROFIT/LOSS



In November 2021, Yak-Tat Kwaan sent a letter asking the candidate to remove certain online statements and to provide factual clarifications. Over a month after the deadline that was in the letter to respond, the corporation has not received a substantive response to its letter or a retraction of the statements.

In order to provide shareholders with a clear picture of our corporation's financial situation, we have been engaged in shareholder outreach, which so far has included in-person informational meetings in the communities where many of our shareholders reside. In order to provide for a sufficient opportunity to engage with the shareholders, the Board of Directors found it in the best interest of the corporation to cancel the Annual Meeting currently scheduled for January 8, 2022, to set a new record date, to re-solicit candidate information forms, and schedule a new meeting date.

With that decision, the annual meeting scheduled for January 8, 2022 has been canceled. A new annual meeting will be noticed for February 26, 2022, at 1:00 pm at the ANB Hall in Yakutat. As the board has canceled the January 8, 2022 annual meeting and is setting a new record date, a new proxy solicitation will be conducted. Existing proxies for the canceled January 8, 2022 meeting will be null and void.

The new record date will be January 27, 2022. Voting shareholders of record as of this new record date will receive a new proxy statement and proxy form. With this new record date, we anticipate that Yak-Tat Kwaan will have at least 500 shareholders. With this number of shareholders, the candidates will be required to follow all applicable regulations of the Alaska Department of Commerce Community and Economic Development Division of Banking and Securities.

If you have not filled out an application for Covid Care monies, please call the office to have one mailed or faxed to you. The deadline to apply is December 31, 2021 at 5:00 pm.

We wish you Happy Holidays and the best of health in 2022.

Sincerely,


Don Bremner, President

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES
550 WEST SEVENTH AVENUE, SUITE 1850
ANCHORAGE, ALASKA 99501
(907)269-8140

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
3 DIVISION OF BANKING AND SECURITIES

4 IN THE MATTER OF:)
5 Yak-Tat Kwaan, Inc.) **ORDER NO. 22-15-2-S**
6) **AMENDED TEMPORARY ORDER TO**
7) **CEASE AND DESIST, ASSESSING CIVIL**
8) **PENALTIES, WITH NOTICE OF**
9) **HEARING RIGHTS AND NOTICE OF**
10) **FINAL CEASE AND DESIST ORDER**
11 Respondent.)
12 _____)

13 The Director of the Department of Commerce, Community, and Economic
14 Development, Division of Banking and Securities (“Administrator”), has conducted an
15 investigation into certain activities of Yak-Tat Kwaan, Inc. (“Respondent”), and has
16 determined that Respondent violated certain provisions of the Alaska Native Claims
17 Settlement Act Corporations Proxy Solicitation and Stock Act, Alaska Statute (AS) 45.55 et
18 seq (“ANCSA Corporations Proxy Solicitations Act”). This Amended Order replaces and
19 supersedes the Temporary Cease and Desist Order Effective Immediately, Assessing Civil
20 Penalties, with Notice of Hearing Rights and Notice of Final Cease and Desist Order dated
21 October 7, 2022.

22 **I. FINDINGS OF FACT**

- 23 1. Respondent is organized pursuant to the Alaska Native Claims Settlement Act
24 (“ANCSA”), 43 U.S.C. 1601 *et seq.*
2. Respondent has certified to the Administrator that it has more than 500
shareholders and total assets exceeding \$1,000,000.
3. On October 7, 2021, Respondent sent a one-page letter to shareholders

1 announcing it set its 48th Annual Meeting date for November 20, 2021. On this date, the
2 Respondent did not have over 500 shareholders and was not subject to the Administrator's
3 jurisdiction.

4 4. On October 21, 2021, Respondent sent the 48th Annual Meeting packet to
5 shareholders, which included Respondent's Proxy Statement; Respondent's 2020 Audited
6 Financial Report, which included consolidated financials from year end December 31, 2019
7 and 2020; Respondent's Rules of Annual Meeting, Respondent's Proxy Card, and campaign
8 letters from seven candidates to shareholders.

9 5. On November 12, 2021, Respondent sent a letter to shareholders postponing the
10 48th Annual Meeting until January 8, 2022.

11 6. On December 23, 2021, Respondent cancelled the 48th Annual Meeting that was
12 scheduled for January 8, 2022, voided Respondent's proxies, set a new record date of January
13 27, 2022, noticed a new annual meeting date for February 26, 2022, and provided a net/profit
14 loss bar chart that included 2021 information.

15 7. On December 31, 2021, Respondent verified it had over 500 shareholders and
16 met the filing requirements for AS 45.55.139.

17 8. On January 13, 2022, Respondent sent a letter to shareholders announcing it set
18 the new 48th Annual Meeting date for February 26, 2022.

19 9. On or about February 3, 2022, Respondent resent a 48th Annual Meeting Packet
20 to shareholders that included the Proxy Statement, Rules of Annual Meeting, Proxy Card, and
21 candidate biographies ("Current Annual Meeting Packet") to all shareholders. Respondent
22 did not file the Current Annual Meeting Packet with the Administrator until March 18, 2022.

23 10. On or about February 10, 2022, Respondent sent a letter to shareholders
24 updating its proxy statement that was originally mailed out on February 4, 2022.

11. On or about February 24, 2022, Respondent sent a letter to shareholders

1 postponing the 48th Annual Meeting to April 9, 2022 due to receiving, “a low 57% of the
2 50,199 proxies needed to ensure a quorum for our 48th Annual Meeting.” With the letter, the
3 Respondent provided a document that stated: “Shareholder Annual Meeting 2022.”

4 12. On April 9, 2022, Respondent held a meeting.

5 13. On or about April 21, 2022, Respondent sent a letter to shareholders, which
6 stated: “At the scheduled annual shareholder meeting, dated April 9, 2022, a lack of a quorum
7 was declared by the Election Judge. Because of this, the meeting could not be lawfully
8 convened. Instead, the time was used for a shareholder informational meeting with questions
9 and answers from shareholders who were present in person and by Zoom.”

10 The letter further states that Respondent’s board of directors met on April 12, 2022
11 postponing the meeting date to October 8, 2022 allowing Respondent time to provide
12 electronic voting to the shareholders for the upcoming meeting and that all voted proxies
13 remained valid. If shareholders wanted to change their proxy, they may submit a new proxy
14 up until 5:00 p.m. October 7, 2022. The letter informed shareholders that Respondent would
15 provide electronic voting for the upcoming meeting.

16 14. Between April 21, 2022 and October 7, 2022, Respondent did not provide
17 additional documents or make changes to the Current Annual Meeting Packet. The Current
18 Annual Meeting Packet continued to contain consolidated financial statements from year end
19 December 31, 2019 and 2020 and did not contain any consolidated financial statements from
20 fiscal year 2021. Respondent sent no new proxy cards or information regarding electronic
21 voting to shareholders to provide them a new way to vote, if they wanted to change their
22 original vote made for the 48th Annual Meeting.

23 15. The proxy statement Respondent provided to shareholders on or about February 3,
24 2022 only contained the percentage attendance during the last fiscal year at meetings of the
board, but did not contain the total number of board meetings, including regularly scheduled

1 and special meetings, and the number of meetings of committees on which the nominee or
2 director served.

3 16. By April 21, 2022, the 48th Annual Meeting had been rescheduled four times.
4 Respondent continued to use the Current Annual Meeting Packet stating the 48th Annual
5 Meeting was a 2021 meeting even though the document sent to shareholders on or about
6 February 24, 2022 stated: "Shareholder Annual Meeting 2022." The Respondent continued
7 to rely on information from 2020 in both its Proxy Statement and Annual Report and did not
8 provide updated proxy cards or an electronic voting option for the October 8, 2022 meeting.

9 17. As of the date of this order, Respondent has not provided an annual report and
10 proxy statement from its last fiscal year.

11 II. CONCLUSIONS OF LAW

12 1. Respondent is subject to the filing requirements of AS 45.55.139 because it had
13 more than 500 shareholders who were eligible to vote at the October 8, 2022 annual meeting
14 and total assets exceeding \$1,000,000.

15 2. Respondent violated AS 45.55.139 by not filing its annual meeting materials with the
16 Administrator concurrently with its distribution to shareholders.

17 3. Respondent violated AS 45.55.139 and 3 AAC 08.345 by not providing
18 information from the corporation's last fiscal year in its Proxy Statement and Annual Report

19 4. Respondent violated 3 AAC 08.345(b)(1)(D) by not providing the total number of
20 board meetings, including regularly scheduled and special meetings, and the number of
21 meetings of committees on which the nominee or director served, in its Proxy Statement.

22 5. Respondent is subject to a civil penalty pursuant to AS 45.55.920(c) because it
23 violated 3 AAC 08.345.

24 III. ORDER and NOTICE

Pursuant to AS 45.55.920, and on the basis of the Findings of Fact and Conclusions of

1 Law, the Administrator ORDERS:

2 1. Pursuant to AS 45.55.920(a)(1)(c), Respondent's proxies for the meeting
3 scheduled on October 8, 2022 are VOID.

4 2. Respondent will comply with all provisions of the ANCSA Corporations Proxy
5 Solicitations and Stock Act and associated regulations, including filing with the
6 Administrator Respondent's information for the most recent fiscal year.

7 Pay a civil penalty in the amount of five hundred dollars (\$500). This amount is immediately
8 due to the Administrator.

9 Pursuant to AS 45.55.920(d), if Respondent desires a hearing, it must file its request
10 for a hearing within 15 days after receipt of this order. The request for a hearing must be in
11 writing, must be directed to the Administrator, and must state the grounds for the request to
12 set aside or modify the Order. This order takes effect immediately, remains in effect until 10
13 days after the hearing is held, and becomes final if a hearing is not requested within 15 days
14 after the receipt of this notice.

15
16 **IT IS SO ORDERED.**

17
18
19 Julie Sande, Commissioner
Department of Commerce, Community and
Economic Development

20 DATED: 11/7/22

21 /s/ Robert H. Schmidt
BY: Robert H. Schmidt, Director
Division of Banking and Securities

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

AGWEST FARM CREDIT, PCA

Plaintiff,

v.

YAK-TAT KWAAN INCORPORATED, an
Alaska Native Village Corporation,

Defendant.

NO. _____

COMPLAINT ON GUARANTY

COMES NOW AgWest Farm Credit Services, PCA, formerly known as Northwest Farm Credit Services, PCA, and for its claims for relief against Defendant Yak-Tat Kwaan Incorporated, alleges as follows:

I. PARTIES, JURISDICTION AND VENUE

1. Plaintiff AgWest Farm Credit Services, PCA, formerly known as Northwest Farm Credit Services (hereinafter the "Farm Credit" or "Plaintiff") is a corporation organized, presently existing and doing business as an instrumentality of the United States of America under the Farm Credit Act of 1971, as amended. Farm Credit services agricultural, timber and commercial fishing loans and borrowers across multiple states and is headquartered in Spokane, Washington.

COMPLAINT - 1

CAIRNCROSS & HEMPELMANN, P.S.
ATTORNEYS AT LAW
524 2nd Ave, Suite 500
Seattle, WA 98104
office 206 587 0700 fax: 206 587 2308

ATTACHMENT C

1 amended, restated or otherwise modified or supplemented from time to time (hereinafter the “**Tug**
2 **& Barge Loan Agreement**”), under which Farm Credit extended a commercial loan to Yak
3 Timber in the amount of \$3,375,000 (the “**Tug & Barge Loan**”). See Exhibit D attached hereto.

4 8. On or about January 10, 2022, Yak Timber executed a Sawmill Building Loan
5 Agreement (Note No. 6385613), together with all schedules and exhibits thereto, in each case, as
6 amended, restated or otherwise modified or supplemented from time to time (hereinafter the
7 “**Sawmill Building Loan Agreement**”), under which Farm Credit extended a commercial loan to
8 Yak Timber in the amount of \$750,000 (the “**Sawmill Building Loan**”). See Exhibit E attached
9 hereto.

10 9. The Term Loan, Operating Loan, Equipment Loan, Tug & Barge Loan, and
11 Sawmill Building Loan, are hereinafter collectively referred to as the “**Yak Timber Loans.**”

12 10. In connection with the Yak Timber Loans, YTK executed a Guaranty Agreement
13 dated June 23, 2020, as amended by the First Amendment dated March 25, 2021, the Second
14 Amendment dated January 1, 2022, and the Third Amendment dated March 30, 2023, together
15 with all schedules and exhibits thereto, in each case, as amended, restated or otherwise modified
16 or supplemented from time to time (the “**Guaranty Agreement**”). See Exhibit F hereto.

17 11. Pursuant to the Guaranty Agreement, YTK irrevocably, unconditionally, and
18 absolutely promised to pay, and guaranteed payment and performance when due, of the Yak
19 Timber Loans. The Guaranty Agreement further provided that the failure of YTK to promptly pay
20 Lender the guaranteed amounts, upon default of Yak Timber, and demand by Lender, constitutes
21 an event of default under the Guaranty Agreement.

22 12. The Guaranty further contained certain financial covenants applicable to YTK,
23 including the timely provision of financial statements and reports as further set forth therein.

24 13. On November 2, 2022 Farm Credit issued a Notice of Event of Default and
25 Reservation of Rights, wherein Yak Timber and YTK were notified of Yak Timber’s failure to
26 comply with financial reporting covenants, payment defaults on all of the Yak Timber Loans, and

COMPLAINT - 3

CAIRNCROSS & HEMPELMANN, P.S.
ATTORNEYS AT LAW
524 2nd Ave, Suite 500
Seattle, WA 98104
office 206 587 0700 fax: 206 587 2308

ATTACHMENT C

1 failure of the YTK to comply with the financial covenants in the Guaranty Agreement (“**First**
2 **Notice of Default**”).

3 14. On January 31, 2023 Farm Credit issued a Second Notice of Event of Default and
4 Reservation of Rights, wherein Yak Timber and YTK were notified of continued and additional
5 failures to comply with financial and reporting covenants, continuing and existing payment
6 defaults, failure to comply with other covenants, failure to comply with insurance requirements,
7 and denial of a restructuring application related to all Yak Timber Loans and the Guaranty
8 Agreement (“**Second Notice of Default**”).

9 15. Yak Timber has made no payments under the Yak Timber Loans since mid-2022.

10 16. On March 9, 2023, Farm Credit issued a Final Demand, Notice of Acceleration,
11 and Reservation of Rights to Yak Timber and YTK (“**Final Demand**”). *See*, Exhibit G hereto.

12 17. As set forth in the Final Demand, the balance owing under the Yak Timber Loans
13 as of March 21, 2023, was \$13,301,336.39, exclusive of continually accruing interest, default
14 interest, prepayment fees, attorney fees, and other advances or costs paid by Farm Credit. By virtue
15 of the Guaranty Agreement, YTK is indebted to Farm Credit for this amount.

16 18. The events of default stated in the First Notice of Default and Second Notice of
17 Default continue and have not been cured or remedied. Neither YTK nor Yak Timber has made
18 any payment in response to the Final Demand or otherwise.

19 **III. COUNT I: BREACH OF CONTRACT – GUARANTY AGREEMENT**

20 19. Plaintiff realleges and incorporates the foregoing paragraphs as though fully set
21 forth herein.

22 20. The Guaranty Agreement is a valid, binding, and enforceable agreement under
23 which the Defendant agreed to satisfy Yak Timber’s obligations under the Yak Timber Loans.

24 21. In the Guaranty Agreement, the Defendant irrevocably and unconditionally
25 guaranteed payment and performance of Yak Timber’s obligations under the Yak Timber Loans.

26 22. Yak Timber is in default under the Yak Timber Loans.

COMPLAINT - 4

CAIRNCROSS & HEMPELMANN, P.S.
ATTORNEYS AT LAW
524 2nd Ave, Suite 500
Seattle, WA 98104
office 206 587 0700 fax: 206 587 2308

ATTACHMENT C

1 23. Demand upon Defendant for payment of the Yak Timber Loans has been made.

2 24. Defendant has failed to the amounts due and owing under the Yak Timber Loans,
3 and is therefore in default under the Guaranty Agreement.

4 25. Plaintiff has been damaged in an amount equivalent to that owed under the Yak
5 Timber Loans.

6 26. Accordingly, Plaintiff is entitled to a judgment against Defendant for breach of the
7 Guaranty in the amount of \$13,301,336.39, plus continually accruing interest, default interest,
8 prepayment fees, attorney fees, and other advances or costs paid by Farm Credit through to the
9 date of judgment, the exact amount to be proven by affidavit or at trial, plus post-judgment interest
10 at the applicable rate.

11 **IV. PRAYER FOR RELIEF**

12 WHEREFORE, having alleged the foregoing facts and stated its cause of action, Plaintiff
13 respectfully prays for the following relief:

14 27. For judgment against Defendant for the amounts owed under the Yak Timber
15 Loans, which as of March 21, 2023 was \$13,301,336.39, plus continually accruing interest, default
16 interest, prepayment fees, attorney fees, and other advances or costs paid by Farm Credit through
17 to the date of judgment, the exact amount to be proven by affidavit or at trial, plus post-judgment
18 interest at the applicable rate.

19 28. For judgment against Defendant for Plaintiff's attorneys' fees, costs, and expenses
20 incurred in enforcing the Yak Timber Loan Documents, as permitted under the Guaranty
21 Agreement.

22 29. For such other and further relief as the Court deems just and proper.
23
24
25
26

1 DATED this 31st day of March, 2023.

2 CAIRNCROSS & HEMPELMANN, P.S.

3
4 /s/ Binah B. Yeung

5 Binah B. Yeung, WSBA No. 44065

6 Email: byeung@cairncross.com

7 John R. Rizzardi, WSBA No. 9388

8 Email: jrizzardi@cairncross.com

9 524 Second Avenue, Suite 500

10 Seattle, WA 98104-2323

11 Telephone: (206) 587-0700

12 Facsimile: (206) 587-2308

13 Attorneys for AgWest Farm Credit, PCA

14
15
16
17
18
19
20
21
22
23
24
25
26
COMPLAINT - 6

CAIRNCROSS & HEMPELMANN, P.S.
ATTORNEYS AT LAW
524 2nd Ave, Suite 500
Seattle, WA 98104
office 206 587 0700 fax: 206 587 2308

ATTACHMENT C

**YAK-TAT KWAAN, INC.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**
(With Independent Auditor's Report Thereon)

Years Ended December 31, 2020 and 2019



PORTER & ALLISON
— INC —

CERTIFIED PUBLIC ACCOUNTANTS
ATTACHMENT D

15

STATE OF CALIFORNIA DEPARTMENT OF REVENUE

NOTICE OF PREPARATION OF RETURN
IF YOU ARE A TAXPAYER WHOSE RETURN IS BEING PREPARED BY THE DEPARTMENT OF REVENUE, YOU WILL RECEIVE THIS NOTICE BY MAIL. IF YOU ARE A TAXPAYER WHOSE RETURN IS BEING PREPARED BY A TAXPAYER SERVICE CENTER, YOU WILL RECEIVE THIS NOTICE BY MAIL. IF YOU ARE A TAXPAYER WHOSE RETURN IS BEING PREPARED BY A TAXPAYER SERVICE CENTER, YOU WILL RECEIVE THIS NOTICE BY MAIL.

IF YOU HAVE ANY QUESTIONS, PLEASE CALL THE DEPARTMENT OF REVENUE AT (916) 227-3300.

IF YOU ARE A TAXPAYER WHOSE RETURN IS BEING PREPARED BY THE DEPARTMENT OF REVENUE, YOU WILL RECEIVE THIS NOTICE BY MAIL. IF YOU ARE A TAXPAYER WHOSE RETURN IS BEING PREPARED BY A TAXPAYER SERVICE CENTER, YOU WILL RECEIVE THIS NOTICE BY MAIL.

IF YOU ARE A TAXPAYER WHOSE RETURN IS BEING PREPARED BY THE DEPARTMENT OF REVENUE, YOU WILL RECEIVE THIS NOTICE BY MAIL. IF YOU ARE A TAXPAYER WHOSE RETURN IS BEING PREPARED BY A TAXPAYER SERVICE CENTER, YOU WILL RECEIVE THIS NOTICE BY MAIL.

**YAK-TAT KWAAN, INC.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**
(With Independent Auditor's Report Thereon)

Years Ended December 31, 2020 and 2019

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Stockholders' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-15
SUPPLEMENTARY INFORMATION	
Consolidating Balance Sheet	16
Consolidating Schedule of Operations	17



CONFIDENTIAL - SECURITY INFORMATION

(S)

(S)

(S)

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION



PORTER & ALLISON

INC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Directors
Yak-Tat Kwaan, Inc. and Subsidiaries
Yakutat, Alaska

We have audited the accompanying consolidated financial statements of Yak-Tat Kwaan, Inc. (an Alaska corporation) and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of TecPort Solutions, Inc., the investment in which, as described in Note 4 to the consolidated financial statements, is accounted for by the equity method of accounting. The equity in TecPort Solutions, Inc. was \$334,564 and \$363,155 as of December 31, 2020 and 2019, respectively, and the proportionate share of its net loss was \$30,591 and \$18,286, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TecPort Solutions, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Address: 18701 Denmark Cir, Anchorage, Alaska 99516

Phone: 907-770-CPAs (2727)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Yak-Tat Kwaan, Inc. and Subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Porter & Allison, Inc.

Anchorage, Alaska
September 30, 2021

CONSOLIDATED FINANCIAL STATEMENTS

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

	<u>Assets</u>	
	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash	\$ 1,604,746	\$ 501,198
Contracts receivable	578,274	562,091
Inventory	819,192	-
Prepaid expenses	100,467	40,068
Other current assets	10,000	13,000
Deposits	53,750	-
Total Current Assets	<u>3,166,429</u>	<u>1,116,357</u>
Property and Equipment:		
Land and buildings	3,158,727	3,158,727
Vehicles and equipment	7,366,206	920,606
Furniture and fixtures	28,724	28,724
Software	28,700	28,700
Less accumulated depreciation	<u>(4,891,512)</u>	<u>(3,002,128)</u>
Total Property and Equipment	<u>5,690,845</u>	<u>1,134,629</u>
Property Under Capital Lease Obligations:		
Leased equipment	519,852	5,380,101
Less accumulated amortization	<u>(173,284)</u>	<u>(692,879)</u>
Total Property Under Capital Lease Obligations	<u>346,568</u>	<u>4,687,222</u>
Investment in unconsolidated affiliates	<u>334,564</u>	<u>365,155</u>
Total Assets	<u>\$ 9,538,406</u>	<u>\$ 7,303,363</u>
	Liabilities and Stockholders' Equity	
Current Liabilities:		
Accounts payable	\$ 129,660	\$ 151,669
Unearned rent	180	180
Accrued expenses	72,634	47,591
Security deposits	3,209	3,500
Dividends payable	204,499	59,522
Current portion of capital lease liability	133,059	1,376,377
Current portion of long term debt	492,641	-
Line of credit	364,351	-
Short-term loans	-	346,866
Total Current Liabilities	<u>1,400,233</u>	<u>1,985,705</u>
Long term debt, net of current portion and financing costs	4,945,603	-
Capital lease liability, net of current portion	<u>141,617</u>	<u>3,077,087</u>
Total Liabilities	<u>6,487,453</u>	<u>5,062,792</u>
Stockholders' Equity:		
Class A, \$0 par value; 1,000,000 shares authorized; 33,906 shares issued and outstanding	-	-
Class B, \$0 par value; 500,000 shares authorized; 394 shares issued and outstanding	-	-
Contributed capital	1,274,987	1,274,987
Retained earnings	1,775,966	965,584
Total Stockholders' Equity	<u>3,050,953</u>	<u>2,240,571</u>
Total Liabilities and Stockholders' Equity	<u>\$ 9,538,406</u>	<u>\$ 7,303,363</u>

See accompanying notes to consolidated financial statements.

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Consolidated Statements of Operations
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Sales:		
Lease revenue	\$ 555,258	\$ 539,642
Timber sales	6,322,011	3,884,211
Fees for services	30,000	30,000
Total Sales	<u>6,907,269</u>	<u>4,453,853</u>
Cost of goods sold	<u>2,896,040</u>	<u>2,199,094</u>
Gross Profit	4,011,229	2,254,759
Selling, general and administrative expenses	<u>2,798,196</u>	<u>2,215,656</u>
Income from Operations	<u>1,213,033</u>	<u>39,103</u>
Other Income (Expense):		
Resource revenue	627,324	865,130
Forgiveness on PPP loan payable	289,124	-
Miscellaneous income	1,244	81,766
Interest income	4,737	2,556
Other revenue	20	100
Equity earnings (loss) in TecPort Solutions, Inc.	(30,591)	(18,286)
Interest expense	<u>(335,825)</u>	<u>(171,139)</u>
Total Other Income (Expense)	<u>556,033</u>	<u>760,127</u>
Income before provision for income taxes	1,769,066	799,230
Provision for income taxes	<u>-</u>	<u>-</u>
Net Income	<u>\$ 1,769,066</u>	<u>799,230</u>

See accompanying notes to consolidated financial statements.

YAK-TAT KWAAN, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2020 and 2019

	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, January 1, 2019	\$ 1,274,987	509,354	1,784,341
Net Income	-	799,230	799,230
Distributions to shareholders	-	(343,000)	(343,000)
Balance, December 31, 2019	1,274,987	965,584	2,240,571
Net Income	-	1,769,066	1,769,066
Distributions to shareholders	-	(958,684)	(958,684)
Balance, December 31, 2020	<u>\$ 1,274,987</u>	<u>1,775,966</u>	<u>3,050,953</u>

See accompanying notes to consolidated financial statements.



Faint, illegible text at the top of the page, possibly a header or title.

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Net Income	\$ 1,769,066	\$ 799,230
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	1,369,789	813,549
Amortization of loan cost charged to interest expense	3,746	-
Loss on capital lease buyout	228,212	-
Equity in loss of unconsolidated affiliates	30,591	18,286
Changes in operating assets and liabilities:		
Contracts receivable	(16,183)	(492,189)
Prepaid expenses	(60,399)	(40,068)
Inventory	(819,192)	-
Other current assets	3,000	123,666
Deposits	(53,750)	-
Accounts payable	(22,009)	151,127
Unearned rent	-	180
Accrued expenses	25,043	45,764
Security deposits	(291)	1,000
City assessment payable	-	(104,677)
Dividends payable	144,977	24,601
Net Cash Flows from Operating Activities	<u>2,602,600</u>	<u>1,340,469</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	<u>(1,321,139)</u>	<u>(441,402)</u>
Cash Flows from Financing Activities:		
Net proceeds from line of credit	364,351	-
Proceeds from issuance of long-term debt, net of issuance costs	1,112,570	-
Payments for long-term debt	(201,284)	-
Payments for short-term loans	(346,866)	-
Proceeds from issuance of short-term loans	-	346,866
Payments for capital leases	(148,000)	(926,637)
Dividends declared and paid	(958,684)	(343,000)
Net Cash Flows from Financing Activities	<u>(177,914)</u>	<u>(922,771)</u>
Net Increase (Decrease) in Cash	1,103,548	(23,704)
Cash, beginning of year	<u>501,198</u>	<u>524,902</u>
Cash, end of year	\$ <u>1,604,746</u>	\$ <u>501,198</u>
Supplemental Disclosure to Cash Flows:		
Property and equipment financed by issuance of long-term debt	\$ <u>4,523,213</u>	\$ <u>-</u>

See accompanying notes to consolidated financial statements.

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years Ended December 31, 2020 and 2019

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Yak-Tat Kwaan, Inc. was incorporated under the Alaska Business Corporation Act as a village corporation on November 11, 1973, pursuant to provisions of the Alaska Native Claims Settlement Act (ANCSA or the Act) enacted by Congress on December 16, 1971. ANCSA authorized the formation of twelve geographic regional corporations within the State of Alaska and a number of village corporations within each region. Yak-Tat Kwaan, Inc. is a village corporation located within the geographic region encompassed by Sealaska Corporation.

Principles of Consolidation

The consolidated financial statements include the accounts of Yak-Tat Kwaan, Inc. its wholly-owned subsidiaries, Broken Oar Construction, LLC, Kwaan Holding, LLC, and Yak Timber, LLC (collectively, the Corporation).

Kwaan Holding Company, LLC is a wholly owned subsidiary of the Corporation, and is set up as a holding company. Kwaan Holding Company, LLC has 100% ownership in The Kwaan Plaza, LLC, The Ridge Road Complex, LLC, Malaspina Properties LLC, YKI Marine Complex LLC, and Little White House Properties, LLC.

The consolidated financial statements do not include the accounts of TecPort Solutions, Inc. (Note 4). This 51% owned investment is recorded using the equity method of accounting, which is at original cost plus or minus the Corporation's cumulative proportion of net income or net loss subsequent to the original investment less distributions. This investment is accounted for using the equity method of accounting due to substantive participating rights of its other owners.

Significant intercompany transactions are eliminated in consolidation.

Alaska Native Claims Settlement Act

The Act

The Act provides for the division of the State of Alaska into twelve regional areas, each of which is represented by a regional corporation. Further, a thirteenth regional corporation was established for those Alaska Natives residing outside of Alaska. Each regional area has, in turn, a number of village corporations which were also established by the Act. Enrollees to the regional and village corporations are shareholders of such corporations and are required to be Alaska Natives as defined in the Act.

Alaska Native Fund

ANCSA established the Alaska Native Fund (the Fund) into which an aggregate of \$962,500,000 was deposited from Federal Government appropriation and royalty on minerals owned by the State of Alaska and the Federal Government.

Distributions

Distributions of monies from the Fund to each of the twelve Alaska regional corporations commenced on October 18, 1973. Distributions of the monies were completed March 31, 1983. The regional corporations have in turn allocated to each village corporation its share of the distributions as explained below. The distributions have been recorded as contributed capital. In addition to the appropriated funds and royalties

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years Ended December 31, 2020 and 2019

provided by the Fund, ANCSA, pursuant to Section 7(i) provides that 70 percent of revenue received by each of the twelve regional corporations in Alaska, from timber and subsurface resources owned by them, is to be divided annually among the twelve corporations in proportion to the number of shareholders in each of the twelve regions. The regional corporations in turn allocate each village corporation a share of such revenues pursuant to section 7(j) of ANCSA. The distribution to village corporations and non-village shareholders is to be 50 percent of the section 7(i) monies received by Sealaska Corporation (Sealaska).

All distributions to village corporations are to be made according to the ratio that the number of outstanding shares of Sealaska's common stock owned by shareholders of a village corporation bears to the total number of Sealaska's common stock outstanding.

Land Selections

ANCSA also provides for the selection of land by the village corporations. The village corporations will receive the surface estate in such land and the regional corporations will receive the subsurface estate. On the 23,040 acres of land that the Corporation is entitled to select under the Act, conveyance for 23,040 has been received.

During 2001, the Corporation completed a timber cruise on 6,081 acres of land received pursuant to the Act. The total value of the timbers was estimated at \$34,586,770. The estimated value of the remaining 16,959 acres of land selected has not been determined.

Common Stock and Earnings per Share

One hundred shares of the Corporation's voting Class A common stock were issued, pursuant to the Act, to each Native person enrolled in the Corporation. Stock rights are restricted, and the stock may not be sold, pledged, assigned, or otherwise alienated except in certain circumstances by court decree or by death. Further, the stock carries voting rights only if the holder is an eligible Alaska Native. For shares transferred to other than a qualified Native person, non-voting Class B common stock is issued, and the related Class A common stock is returned to the Corporation. Pursuant to the 1991 Amendments, passed by the U.S. Congress, these restrictions and others as set forth in the Alaska Native Claims Settlement Act, have been indefinitely extended unless the shareholders affirmatively vote to waive the restrictions.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Cash

Cash includes checking and savings deposits on demand and petty cash.

Contracts Receivable and Allowance for Doubtful Accounts

The Corporation provides an allowance for doubtful accounts based upon prior experience and management's assessment of collectability of existing specific accounts.

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years Ended December 31, 2020 and 2019

Inventory

Inventory is stated at lower of cost or net realizable value.

Property and Equipment

Expenditures for maintenance and repairs are charged to operations as incurred; expenditures for renewals and betterments are generally capitalized. Depreciation is recorded using the straight-line method for financial reporting. For financial reporting purposes, estimated useful lives are as follows:

Vehicles and equipment	3 to 5 years
Furniture and fixtures	5 to 10 years
Buildings	10 to 30 years
Land	Not depreciated

Investment in Unconsolidated Affiliates

The Corporation accounts for investments in corporations and partnerships using the equity method when the Corporation's ownership interest is between 20% and 50% and has significant influence over the investments. Under the equity method, the Corporation records its proportionate share of earnings or loss. The investment in TecPort Solutions, Inc. for which the Corporation owns 51% interest is accounted for using the equity method of accounting due to the Corporation not exercising operating control over TecPort Solutions, Inc.

Contributions to Capital

Monies and real property interests distributable to the Corporation under terms of the Act, are recorded as contributed capital when notice of credit is received from Sealaska. The Corporation's policy is to record timber rights received under ANCSA upon completion of appraisal of those rights.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable assets acquired and liabilities assumed as a result of an acquisition of a company. The Corporation applies the accounting alternative provision of Accounting Standards Codification (ASC) 350 available to private companies for goodwill. The Corporation amortizes goodwill on a straight-line basis over 10 years, or less than 10 years if another useful life is more appropriate. The Corporation has made the election to test goodwill for impairment at the Corporation level. Goodwill is tested for impairment when a triggering event occurs that indicates that the fair value of the Corporation may be below its carrying amount. When a triggering event occurs, the Corporation has the option to first assess qualitative factors to determine whether the quantitative impairment test is necessary. If that qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Corporation performs a quantitative test to compare the Corporation's fair value with its carrying amount, including goodwill. If the qualitative assessment indicates that it is not more likely than not that goodwill is impaired, further testing is unnecessary.

A goodwill impairment loss is recognized if the carrying amount of the Corporation exceeds its fair value. A goodwill impairment loss is measured and recorded at the amount by which the carrying amount of the Corporation including goodwill exceeds its fair value without exceeding the carrying amount of goodwill.

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements Years Ended December 31, 2020 and 2019

Revenue Recognition – Timber Sales and Fees for Services

Revenue is measured based on consideration specified in the contract with a customer. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in revenue recognition. Revenue from all customers is recognized when a performance obligation is satisfied by transferring control of a product or service to a customer. Amounts billed to customers for shipping and handling are included in revenue. Taxes collected from customers and remitted to governmental authorities are excluded from revenue on the net basis of accounting. Accounts receivable are due under normal trade terms, typically 30 days or less.

Performance obligations in contracts with customers are all satisfied at a point in time. Revenue from contracts is recognized when obligations under the terms of the contract with the customer are satisfied; generally with the transfer of control upon fulfillment of contractual termination clauses or by the right to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use to the Corporation. Revenue from rental agreements continues to be recognized ratably over the rental period in accordance with Topic 840, Leases.

Contracts are often modified to account for changes in contract specifications and requirements. The Corporation considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue on a cumulative catch-up basis.

Yak-Tat Kwaan, Inc.'s portion of revenues arising from resources owned by regional corporations, is recognized when determinable. Revenue from properties and vehicles leased to third parties is recognized ratably over the rental period.

Income Taxes

Funds received from the Alaska Native Fund are not subject to federal, state, or local income taxes. Real property interests received pursuant to ANCSA are also not subject to income taxes; however, income derived from real property interests and other operations of the Corporation is subject to federal, state, and local income taxes.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Corporation is subject to income taxes in U.S. federal jurisdictions and various state jurisdictions. Tax regulations within each jurisdiction are subject to interpretation of the related tax laws and regulations and require significant judgment to apply. The Corporation recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years Ended December 31, 2020 and 2019

accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. The Corporation is generally no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for the years ended December 31, 2017 and prior. Management has evaluated the Corporation's tax positions and has concluded that the Corporation has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

Risk Concentrations

The Corporation's revenues and receivables are primarily from customers located in Yakutat, Alaska. Management believes its contract acceptance, billing, and collection policies are adequate to minimize potential credit risk. The Corporation does not generally require collateral for customer.

Subsequent Events

The Corporation has evaluated subsequent events through September 30, 2021, the date on which the consolidated financial statements were available to be issued. See Note 13 for details related to subsequent events.

Note 2: Cash

The Corporation places its demand deposits with high credit quality commercial banks. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. Uninsured balances totaled \$1,026,098 and \$69,200 at December 31, 2020 and 2019, respectively.

Note 3: Contracts Receivable

Beginning and ending receivables for the year ended December 31, 2020 consist of the following:

	January 1, 2020	December 31, 2020
Contracts receivable	\$ 562,091	\$ 578,274
Less allowance for doubtful accounts	-	-
Contracts receivable, net	<u>\$ 562,091</u>	<u>\$ 578,274</u>

Beginning and ending receivables for the year ended December 31, 2019 consist of the following:

	January 1, 2019	December 31, 2019
Contracts receivable	\$ 69,902	\$ 562,091
Less allowance for doubtful accounts	-	-
Contracts receivable, net	<u>\$ 69,902</u>	<u>\$ 562,091</u>

YAK-TAT KWAAN, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
Years Ended December 31, 2020 and 2019

Note 4: Investment in TecPort Solutions, Inc.

Yak-Tat Kwaan, Inc. owns a 51% interest in TecPort Solutions, Inc., which is a full-service information technology consulting firm specializing in strategic outsourcing based in Pennsylvania. TecPort Solutions, Inc. is an unconsolidated affiliate of Yak-Tat Kwaan at the end of 2019.

Summarized audited balance sheets and statements of operations of the investment in TecPort Solutions, Inc. as of and for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Balance Sheets:		
Assets:		
• Current assets	\$ 1,218,288	\$ 2,683,195
Noncurrent assets	25,093	8,431
Total Assets	\$ 1,243,381	\$ 2,691,626
Liabilities and shareholders' equity:		
Total liabilities	\$ 587,280	\$ 1,975,635
Shareholders' equity	656,101	715,991
Total Liabilities and Shareholders' Equity	\$ 1,243,381	\$ 2,691,626
	2020	2019
Statements of Operations:		
Revenues	\$ 8,516,583	\$ 7,149,303
Expenses	8,576,475	7,185,157
Net Loss	\$ (59,892)	\$ (35,854)

Yak-Tat Kwaan, Inc. share of the stockholders' equity of TecPort Solutions, Inc. was \$334,564 and \$365,155 as of December 31, 2020 and 2019, respectively, and the proportionate share of its net loss was \$30,591 and \$18,286, for the years then ended, respectively. In 2020 and 2019, Yak-Tat Kwaan, Inc. received no distributions from TecPort Solutions, Inc.

Note 5: PPP Loan Forgiveness

In April 2020, the Corporation applied for, and received, a loan under the Paycheck Protection Program from the United States Small Business Administration (SBA) for \$289,124. The funds were utilized for eligible payroll and rent expense of the Corporation in accordance with the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan bears interest at 1% per annum and is payable in monthly installments of principal and interest over 24 months, beginning 10 months from the date of the note. The loan may be repaid at any time without prepayment penalty.

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements Years Ended December 31, 2020 and 2019

In June 2021, the Corporation applied for, and received, forgiveness in whole for the outstanding balance of the loan. Accordingly, the Corporation recognized a gain on forgiveness during 2020, consistent with the period of the covered expenses used to qualify for loan forgiveness.

Note 6 – Long-Term Debt

Long-term debt consists of the following at December 31, 2020:

Note payable to bank in monthly installments of \$57,764, including variable interest of 3.35% per annum; due May 2027; property and equipment with a net book value of \$4,144,272, plus timber rights owned by the Corporation are pledged as collateral	\$ 5,498,716
Less: current portion of long-term debt	<u>(492,641)</u>
Long-term debt, net of current portion	5,006,075
Less: unamortized loan fees	<u>(60,472)</u>
Long-term debt, net of current portion and unamortized loan fees	<u>\$ 4,945,603</u>

Future maturities of long-term debt are as follows for the years ended December 31:

2021	\$ 492,641
2022	511,701
2023	531,499
2024	551,648
2025	573,406
Thereafter	<u>2,837,821</u>
	<u>\$ 5,498,716</u>

Note 7: Leasing Transactions

Properties and buildings leased to others are accounted for as operating leases. Minimum further rental revenues over the remaining years subsequent to December 31, 2020, based on currently signed, non-cancelable operating leases with terms of one year or longer are as follows:

2021	\$ 382,357
2022	410,661
2023	<u>186,016</u>
	<u>\$ 979,034</u>

The Corporation also has a number of capital leases for heavy machinery and equipment used for timber operations. Each of the capital leases contain a bargain purchase option which may be exercised at any point

YAK-TAT KWAAN, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
Years Ended December 31, 2020 and 2019

during the lease. Minimum rental payments over the remaining years subsequent to December 31, 2020 on non-cancelable capital leases are as follows:

2021		\$	133,059
2022			<u>141,617</u>
		\$	<u>274,676</u>

Note 8: Commitments and Contingencies

In the normal course of business, the Corporation is involved in various claims and litigation. In the opinion of management, the disposition of these matters is not expected to have a material effect on the financial position or results of operations.

Note 9: Provision for Income Taxes

The actual income tax expense for 2020 and 2019 differs from the "expected" amount (computed by applying the U.S. Federal corporate tax rate and estimated State of Alaska corporate tax rate of 26% to income before taxes) as follows:

		2020		2019
Computed "expected" income tax expense (benefit)	\$	459,957	\$	207,800
Change in allowance for deferred tax assets		(459,957)		(207,800)
Total Income Tax Expense (Benefit)	\$	-	\$	-

The Corporation has net operating loss carry-forwards for state and federal income tax purposes as of December 31, 2020 and 2019 of approximately \$5,776,852 and \$7,545,918, respectively, which are available to offset future taxable income. These carry-forwards expire in the years 2021 through 2036. The Corporation does not expect to be able to fully utilize these carry-forwards and has recorded a valuation allowance for the amount not expected to be utilized.

The Corporation has not determined, for financial reporting purposes, the value of all timber rights conveyed to it by the federal government in accordance with ANCSA (see Note 1). Since the timber rights conveyed had a stipulated tax basis, the gains recorded for book purposes and tax purposes are different at the time of revenue recognition due to the differences in basis. Since the value of all timber rights has not been determined for book purposes, the Corporation has not recorded a deferred tax asset relating to the difference between book basis and tax basis for its timber rights. In addition, the utilization of timber rights held by the Corporation, and resulting realization of any deferred tax assets, is uncertain since the quantities, if any, of timber to be harvested is uncertain. Deferred taxes are recorded based upon differences between the financial statements and tax basis of assets and liabilities and available tax carry-forwards. A valuation allowance on the net deferred tax asset is provided, as it is management's opinion that it is more likely than not that all of the deferred tax asset will not be realized.

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years Ended December 31, 2020 and 2019

The components of deferred tax assets and liabilities, including the valuation allowance as of December 31, are as follows:

	<u>2020</u>	<u>2019</u>
Total deferred tax assets	\$ 1,501,982	\$ 1,961,939
Less: valuation allowance	<u>(1,501,982)</u>	<u>(1,961,939)</u>
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

Note 10: Risk Management

The Corporation is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in coverage since the prior year.

Note 11: Related Parties

Due to the nature and size of the community, it is inevitable that transactions will occur between entities, Board members, and/or employees of these entities. TecPort Solutions, Inc. (see Note 4) paid the Corporation \$30,000 and \$30,000 for management fees for the years ended December 31, 2020 and 2019, respectively.

Note 12: Concentration Risks

The Corporation considers customers that generate 10% or greater of total revenues to be a concentration risk. For the years ended December 31, 2020 and 2019, the Corporation derived approximately 84% and 73%, respectively, of its revenues from one major customer, International Forest Products, LLC. In the year ended December 31, 2019, the Corporation also derived 16% of its revenues from its share of resource sharing revenue pursuant to 7(j) of ANCSA.

At December 31, 2020, approximately 99% of contracts receivable were derived from one customer, International Forest Products, LLC.

Note 13: Subsequent Events

In March 2021, the Corporation issued a note payable for \$600,000 to purchase equipment and other materials. The note is payable in monthly installments of \$11,088 and matures in March 2026. In June 2021, the note was amended such that the interest rate was fixed at 3.54% until maturity. The note is cross-collateralized with the existing note payable and the equipment purchased with the note is pledged as collateral.



Page 1 of 1

Attachment D

SUPPLEMENTARY INFORMATION

10/20/2017 1:17:58 PM

DATE	TIME	LOCATION	STATUS	REMARKS
10/20/2017	1:17:58 PM			

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Consolidating Balance Sheet

December 31, 2020

Assets	Yak-Tat Kwaan, Inc.	Kwaan Holding Company, LLC	Broken Oar Construction, LLC	Yak Timber, LLC	Eliminations	Consolidated
Current Assets:						
Cash	\$ 596,927	339,779	48,287	619,753	-	1,604,746
Contracts receivable	2,500	(2,142)	-	577,916	-	578,274
Inventory	-	-	-	819,192	-	819,192
Due from consolidated subsidiaries	-	1,067,338	248,670	-	(1,316,008)	-
Prepaid expenses	10,495	-	-	89,972	-	100,467
Other current assets	-	-	-	10,000	-	10,000
Deposits	-	-	-	53,750	-	53,750
Total Current Assets	609,922	1,404,975	296,957	2,170,581	(1,316,008)	3,166,429
Property and Equipment:						
Land and buildings	764,469	2,394,258	-	-	-	3,158,727
Vehicles and equipment	428,263	65,991	29,950	6,842,002	-	7,366,206
Furniture and fixtures	21,259	7,465	-	-	-	28,724
Software	28,700	-	-	-	-	28,700
Less accumulated depreciation	(764,792)	(2,187,050)	(29,950)	(1,909,720)	-	(4,891,512)
Total Property and Equipment	477,899	280,664	-	4,932,282	-	5,690,845
Property Under Capital Lease Obligations:						
Leased equipment	-	-	-	519,852	-	519,852
Less accumulated amortization	-	-	-	(173,284)	-	(173,284)
Total Property Under Capital Lease Obligations	-	-	-	346,568	-	346,568
Investment in unconsolidated affiliates:						
Investment in TeePort Solutions, Inc.	334,564	-	-	-	-	334,564
Investment in consolidated affiliates	3,205,529	-	-	-	(3,205,529)	-
Total Investment in Affiliates	3,540,093	-	-	-	(3,205,529)	334,564
Total Assets	\$ 4,627,914	1,685,639	296,957	7,449,433	(4,521,537)	9,538,406
Liabilities and Stockholders' Equity						
Current Liabilities:						
Accounts payable	\$ 1,138	3,137	-	125,385	-	129,660
Unearned rent	-	180	-	-	-	180
Accrued expenses	55,316	-	-	17,318	-	72,634
Security deposits	-	3,209	-	-	-	3,209
Due to/from affiliates	1,316,008	-	-	-	(1,316,008)	-
Dividends payable	204,499	-	-	-	-	204,499
Current portion of capital lease liability	-	-	-	133,059	-	133,059
Current portion of long term debt	-	-	-	492,641	-	492,641
Line of credit	-	-	-	364,351	-	364,351
Total Current Liabilities	1,576,961	6,526	-	1,132,754	(1,316,008)	1,400,233
Long term debt, net of current portion and financing	-	-	-	4,945,603	-	4,945,603
Capital lease liability, net of current portion	-	-	-	141,617	-	141,617
Total Liabilities	1,576,961	6,526	-	6,219,974	(1,316,008)	6,487,453
Stockholders' Equity:						
Contributed capital	1,274,987	400,859	(147,792)	-	(253,067)	1,274,987
Retained earnings	1,775,966	1,278,254	444,749	1,229,459	(2,952,462)	1,775,966
Total Stockholders' Equity	3,050,953	1,679,113	296,957	1,229,459	(3,205,529)	3,050,953
Total Liabilities and Stockholders' Equity	\$ 4,627,914	1,685,639	296,957	7,449,433	(4,521,537)	9,538,406

See independent auditor's report

YAK-TAT KWAAN, INC. AND SUBSIDIARIES

Consolidating Schedule of Operations

Year Ended December 31, 2020

	Yak-Tat Kwaan, Inc.	Kwaan Holding Company, LLC	Broken Oar Construction, LLC	Yak Timber, LLC	Eliminations	Consolidated
Revenues:						
Lease revenue	\$ -	555,258	-	-	-	555,258
Timber sales	-	-	-	6,322,011	-	6,322,011
Fees for services	30,000	-	-	-	-	30,000
Total Revenues	30,000	555,258	-	6,322,011	-	6,907,269
Cost of goods sold	-	-	-	2,896,040	-	2,896,040
Gross Profit	30,000	555,258	-	3,425,971	-	4,011,229
Expenses:						
Salaries, wages and payroll taxes	217,192	10,110	-	276,794	-	504,096
Professional fees	114,124	(490)	-	133,676	-	247,310
Rental, utility, and facility	-	89,485	-	88,854	-	178,339
Directors fees	22,705	-	-	135,761	-	158,466
Depreciation and amortization	18,945	31,174	-	1,319,670	-	1,369,789
Insurance	6,465	40,962	-	5,433	-	52,860
Office expense	33,687	3,518	-	57,451	-	94,656
Shareholder expenses	13,494	-	-	-	-	13,494
Travel	9,877	-	-	125,060	-	134,937
Repairs and maintenance	2,729	18,520	-	1,000	-	22,249
Donations	12,500	-	-	9,500	-	22,000
Total Expenses	451,718	193,279	-	2,153,199	-	2,798,196
Income (Loss) from Operations	(421,718)	361,979	-	1,272,772	-	1,213,033
Other Income (Expense):						
Resource revenue	609,443	-	17,881	-	-	627,324
Forgiveness on PPP loan payable	-	-	-	289,124	-	289,124
Miscellaneous income	135	-	-	1,109	-	1,244
Interest income	4,737	-	-	-	-	4,737
Other revenue	20	-	-	-	-	20
Equity earnings (loss) in TeePort Solutions, Inc.	(30,591)	-	-	-	-	(30,591)
Equity earnings in subsidiaries	1,607,040	-	-	-	(1,607,040)	-
Interest expense	-	-	-	(335,825)	-	(335,825)
Total Other Income	2,190,784	-	17,881	(45,592)	(1,607,040)	556,033
Income before provision for income taxes	1,769,066	361,979	17,881	1,227,180	(1,607,040)	1,769,066
Provision for income taxes	-	-	-	-	-	-
Net Income	\$ 1,769,066	361,979	17,881	1,227,180	(1,607,040)	1,769,066

See independent auditor's report