

Deloycheet

GIFTS OF STOCK GUIDELINES

The Alaska Native Claims Settlement Act Amendments of 1987 (pl 100-241) state that "Settlement Common Stock may be transferred to a native or a descendant of a native as an inter vivos (between living persons) gift from a stockholder to his or her child, grandchild , great grandchild, niece or nephew."

Because stockholders of a Native corporation may choose not to provide stock for "after-borns" or other Alaskan Natives who missed enrolment, or the Native corporation may choose not to address this issue at all, individual stockholders have been given the immediate right to share their personal Settlement Common Stock with specific members of their family.

The procedures for transferring stock as a gift include the following basic steps:

1. Have the shareholder sign a notarized Affidavit Request for gift of shares and Acceptance form that lists each of the relatives to receive a gift of stock.
2. Obtain birth certificates or adoption decrees and have the stockholder making the gift complete the family tree attached to the Affidavit to document the relationship between those receiving the gift and the person giving the gift. Remember: at this point, gifts of stock may not be given to friends, spouses, brothers or sisters, parents, grandparents, aunts or uncles.
3. Obtain the original stock certificate so that it may be voided
4. Make sure each person who is about to receive a gift of stock wants the stock and is willing to sign and acceptance.

Review each of the items listed on the Affidavit Request for Gift Shares form with the shareholder so that they fully understand what the transfer of shares involves

1. Make sure the requestor knows that the transfer of stock is irrevocable:

- a. If the requestor has a falling out with the family member to whom he/she is transferring the stock, the transfer cannot be changed.
 - b. If the recipient of the stock dies, the requestor cannot take the stock back. The laws of inheritance will then dictate the transfer of the stock.
 - c. The recipient will have full control over the stock once it is transferred and they may give it to someone else, or sell it if the stock restrictions are lifted
2. Reiterate that the transfer of the stock places all authority over the stock into the hands of the recipient.
 3. Make sure the requestor understands that at Annual Meeting time, they will no longer have as many shares to vote
 4. Make sure the requestor understands that the amount of his/her dividends and distributions will be reduced accordingly.
 5. Make sure the requestor understands how much stock they will own after the gift is made and that the will form on the back of the old certificate is invalid, so they can complete a new will form if they wish.
 6. Make sure they understand that there could be gift tax consequences and that they are advised to consult with a tax advisor if they have any doubt about the tax consequences of the gift. **DO NOT GIVE TAX ADVICE YOURSELF.**
 7. Make sure that the proposed transfer is free of coercion and that no consideration was given or promised.

If the requestor retained a portion of the original shares, Deloycheet issues a new certificate reflecting the change in the number of shares owned.