



Kavilco Incorporated

KAVILCO NEWS

Volume 6, Issue 1

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DIRECT DEPOSIT

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- Request a Direct Deposit form by calling Kavilco toll free 1-800-786-9574 or visit our website and print the form.

Dividend Declaration



Louis A. Thompson,
President/CEO

I am pleased to announce that on March 18, 2011, the Board of Directors declared a cash dividend of \$19.00 per share. This dividend was paid to shareholders of record as of March 21, 2011. The dividend was payable on April 1, 2011. This dividend reflects undistributed earnings from 2010.

Your dividend check is enclosed with this newsletter unless you have direct deposit.

A Registered Investment Company (RIC) must distribute at least 90% of their earnings to avoid being subject to a 40% federal income tax rate. For

shareholders with 100 shares your dividend is \$1,900. If Kavilco was not a RIC and had to pay income tax your dividend after tax would be \$1,140. Therefore, you receive an additional \$760 because Kavilco does not have to pay federal income tax.



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Kavilco an gaa K'uláas an uu waayáat t'alang Kíl láagang. Íitl'k dáalaa t'istgán sang t'alang Kíl láagang, tla' ii íitl gudáas. Gúits gwaa t'aa láa' an gin láagii – waasaang.

This is to take the opportunity to express appreciation to Kavilco, its President and Board of Directors for their wise decisions in the distribution of funds – especially taking into consideration the elderly shareholders. We extend to them our best wishes for future plans of our Corporation.

—Dr. Erma G. Lawrence, Haida Language Specialist

Portfolio

The U.S. economy is suffering from the lingering slump in housing with recent data on sales of new homes and existing residences being less than inspiring. Indeed, it appears that it will be a year or two before this sector is recovering strongly. Then there is inflation, which is now starting to pick up, most notably for food and energy.

Looking abroad, there are global economic issues surrounding the devastating earthquake in Japan. Also, we have the serious tension in North Africa and the Middle East, plus the surge in oil prices to consider. These are a few of the major economic headwinds we discussed at the March Board Meeting and how they will impact our portfolio strategy.

The Federal Reserve has employed various strategies to keep interest rates at historical lows so that we don't end up in another recession, or worse, a depression. This low interest rate

environment has made it difficult to increase the return on our bond portfolio, which, in turn, impacts your dividend. However, I am pleased to report that all of our 41 bond investments are on sound footing. Granted, this can change without warning.

“... I am pleased to report that all of our 41 bond investments are on sound footing.”

We have expanded our stock strategy to include investments in high yielding Dow Jones Industrial stocks. \$250,000 has been set aside for this strategy with the goal of increasing dividend income and the possibility of capital gains.

Please feel free to call me at our toll free number 800.786.9574.

Sincerely,

Louis A. Thompson

Louis A. Thompson
President/CEO



❧ IN MEMORY OF ❧

Dr. Erma G. Lawrence

Dr. Erma G. Lawrence, 98, passed away peacefully on February 21, 2011, with her family close by her side. She was born August 2, 1912, and spent her childhood growing up in Kasaan. She was double head Eagle of the Ts'eihl 'Láanaas clan. Her Haida name was *Álijuhl* (Beautiful). She was one of the few remaining fluent speakers of Alaskan Haida. This was a sad day for Kavilco and all who knew Dr. Lawrence. Erma was the 3rd Tribal Hostess serving at the 1991 Tribal Assembly.



Dr. Erma G. Lawrence (*Álijuhl*)

Erma was a strong advocate for Native education. She was proud to acknowledge that she graduated from Sheldon Jackson in 1933. She was a school teacher in Hydaburg for a number of years and in the late 1970s, she teamed up with Vesta Johnson to teach Haida in the Ketchikan School District. She was the first teacher of the Haida language in the Ketchikan Community College.

In 2004, Erma received an Honorary Doctorate in Humanities from the University of Alaska Southeast for her lifelong contributions to the Haida language and literature. As one of the few remaining fluent speakers, and one of the founding members of The Society for Haida Language and Literature, Erma devoted her life to gathering, recording and documenting the Haida language. Erma worked with the Alaska Native Language Center and Sealaska Heritage Institute linguists in her writing to make sure she did the best she could to get it right so that future generations would benefit from her work. She wrote, edited or participated in publishing many Haida language books, the latest published in 2010. Erma conducted language workshops, and wrote the first Haida poem. She assisted in the KHHF video, "Elder's Interview Project."

Dr. Lawrence was a Lifetime Member of Alaska Native Sisterhood Camp #14 and the Camp Mother at the time of her passing. She faithfully attended ANB and ANS meetings in Ketchikan and truly enjoyed visiting with her ANB and ANS brothers and sisters at these meetings. She seldom missed camp fundraisers.

Erma was blessed with a beautiful voice. She knew the Sheldon Jackson school song by heart and she enjoyed translating gospel

songs into Haida. People always enjoyed hearing Erma sing; whether it was at a social gathering, Kavilco annual meetings, or when people needed comfort after losing a family or friend. "How Great Thou Art" sung in Haida was an all-time favorite of her family and friends.

Erma was preceded in death by her beloved and only husband John (*Kas'ju*) Lawrence, brothers Vincent and Edwin Baronovich, and sister Marjorie Sinclair.

Erma is survived by her six children: sons Herbert Lawrence (Shirley), Albert Lawrence (Alice), David Lawrence (Leilani), and John Lawrence; daughters Maryann Turner and Marjorie Zeman (Russell). She also has many grandchildren, and great and great-great grandchildren.

A funeral service was held on February 24, 2011, at The Steel Lake Presbyterian Church in Auburn, Washington. A memorial service was held March 6, 2011, at the Ted Ferry Civic Center in Ketchikan.

Special thanks to Jeane Breinig, Laird A. Jones and Edward Thomas for help in gathering this information.

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Kavilco
INCORPORATED

We're on the web!
www.kavilco.com

The Kavilco Incorporated name was created with much thought. KA came from Kasaan, VIL represents the Indian Village of Kasaan and CO represents the Company.

The Kavilco plaque reads "Hale Alaska Indian Descendants All," which stands for HAIDA. Also on the plaque is a picture of mountains, long house, totem and water. The mountains represent future revenues, as well as the hunting areas. The long house and totem represent the past. The blue water is the fishing area around the Village of Kasaan from which our ancestors gathered their food and made a living.

Kavilco's mission statement is to honor the vision and unselfish actions of our Kasaan Haida ancestors and elders; the goals of Kavilco Incorporated are to provide dividends and to preserve the assets for all generations.

Important Reminders About Distributions

Shareholders are strongly encouraged to keep Kavilco informed of their most recent contact information.

Payments to shareholders might be delayed for any of the following reasons:

Change of Address was not submitted prior to Record Date. Only a shareholder can change his or her address. Kavilco cannot accept address changes by friends or relatives of the shareholder. Change of address forms are available on our website or by calling our toll free number and requesting a form.

Change of Name has not been submitted to Kavilco's Shareholder Records. If a shareholder's name has changed due to marriage, divorce, adoption, etc., he or she must complete an Affidavit of Name Change form. Name change forms are available on our website or by calling our toll free number and requesting a form. It must be signed in the presence of a Notary Public and returned to Kavilco with a copy of the marriage certificate, adoption or divorce decree stating that the shareholder's name has been legally changed.

Direct Deposit form contains inaccurate information. Direct deposit authorizations must be received no later than three (3) weeks before a disbursement.

Kavilco's website has a Frequently Asked Questions page which answers many shareholder questions and provides links to additional information. **Please keep your shareholder information current.** Contact Kavilco with any changes at our toll free number 800.786.9574.