



OFFICE OF THE VICE PRESIDENT
WASHINGTON

March 18, 1974

MEMORANDUM OF CONVERSATION

PLACE: OEOB
TIME: 2:25 p. m.
DATE: March 13, 1974

SUBJECT: Robert Crane Visit

PARTICIPANTS: The Vice President
Mr. Robert T. Hartmann
Mr. Jack O. Marsh, Jr.

Mr. Robert D. Crane

Robert Crane met with the Vice President with the purpose of explaining his programs in Indian Affairs, particularly the Indian bank.

He made special reference to the development of the Crow coal basin in Montana. He pointed out:

(a) The Royalty contract with the Westmoreland Coal Company is not favorable to the Indians.

(b) The Crows need about one-half million dollars to hire the expertise to advise them how to develop the coal.

(c) Secretary Morton must ratify any agreement that is made with the Crows.

(d) Crane wants Interior to supply the funds to evaluate a draft proposal for coal development. (It is proposed that Crane's consulting firm would be paid these funds -- see attached memo dated 12 March.)

(e) Crane wants the Vice President to call Secretary Morton to get this moving for the Crow Indians.

In response to this request the Vice President indicated interest in the matter Crane was discussing but he did not commit himself to make such a call but rather, would discuss the matter with Vice President's key staffers.

Crane moved into a second area of interest which was the Indian bank which he says needs authorization to issue government guaranteed bonds, but such authorization requires legislation. Vice President advised him to go see MCs who are handling Indian Affairs as they were the proper ones to sponsor such a proposal.

A final matter of interest, Crane indicated his desire to join the Vice President's staff, to which the Vice President responded that his current staff requirements appeared to be satisfied, but that he would certainly consider Crane's application with others in the future should he desire to expand staff.

A handwritten signature in black ink, appearing to be the initials 'JM' with a long horizontal stroke extending to the right.

Atch.

Prepared by: John O. Marsh, Jr.

Memorandum to Record

From : R. D. Crane *RDC*

Subject : Crow Indian Mineral Development

Request : Assistance in Obtaining Federal Grant
to Develop Crow Negotiating Positions
During 1974

Background

The eastern portion of the Crow Indian Reservation in southern Montana overlies the Fort Union Coal Formation. This is perhaps the largest coal basin in the world, with more than 30 billion strippable tons. This amount is 40% of the United States Coal Reserves and would last for 50 years at the present 600-million-ton annual rate of U. S. coal consumption. This coal is very low in sulphur, sodium, ash and water.

Westmoreland Resources and Coal Company, Shell, Gulf, Peabody, and Amax started core drilling in the Formation in 1968. Westmoreland has contracted with mid-western utilities to deliver 4,000,000 tons of coal a year from the 625-million-ton Tract 3 beginning in July 1974.

After years of inaction, the Crow Tribal Council created a new Crow Tribal Minerals Committee on October 13, 1973, to help it negotiate with Westmoreland an arrangement most conducive to the long range economic prosperity of the Crow people. This future will depend on the quality of the technical, financial and economic expertise that the Crows can apply to plan and negotiate the first step of their strategy for economic self-determination beginning this spring.

Planning Requirements

The production of stripped coal, scheduled to begin this year, is only the first step in an economic development process that should culminate during the 1980's in a whole series of new subsidiary industries based on the chemical and thermal by-products of coal gasification. The Crow Minerals Committee is focusing

on building equity interests in all of the new business developments associated with the extraction and processing of Crow-owned minerals.

Three basic planning requirements flow from this overall goal:

1) Technical studies to a) estimate the energy potential on Crow, the most profitable means of exploiting this potential with new technology over the next ten years, and the extent and cost of reducing the adverse environmental impact of various technologies, and b) compare the cost of extracting, transporting, and processing coal as planned by Westmoreland with the costs of other alternatives, for example, shipping electricity rather than coal to the Midwest.

2) Financial studies to recommend corporate structures and financing techniques that best promote the most rapid growth of equity ownership by the Crow tribe and Crow workers in the exploitation of Crow-owned minerals.

3) Economic studies to determine how best the Crows can obtain near-term profits, leverage them, and plough them back into the systematic development of business opportunities made possible by the multi-billion dollar minerals industry now starting on and near the Crow Reservation.

Funding Requirements

The Crow Minerals Committee estimates a need for the year April 1, 1974, to March 31, 1975, of \$816,000, broken down as follows: Legal Consultants, \$225,000; Engineering Consultants, \$320,000; Socio-Economic Consultants, \$77,000; Public-Relations Among the Crow People, \$10,000; and the Administration and Overhead of the Crow Coal Development Project, \$181,000. The Native American Economic Development Corporation has alerted Ultrasystems and Tetrattech to bid on any Crow RFP's for technical knowhow, and is working initially in-house on the financial and economic requisites for sound pre-negotiation planning.

The Crows' long-run research and planning needs will surely require sums in the many millions of dollars during the next ten years. After the initial year or two, however, all of these funds should become available directly from the Crow Tribe's own mineral profits.

The minimum funds required during 1974 to put the Crow tribe on an equal technical basis with the mineral extracting companies is \$500,000. A grant of this amount to the Crow Tribe from the federal government would facilitate the extraction of their coal this year, would facilitate sustained action over the next few years in meeting the objectives of "Project Independence," and would demonstrate to the Indians and the general public just how great the prospects for Indian economic self-determination are if the Indians are given the wherewithal properly to plan and implement this new economic strategy.

The unique values of the many Indian peoples in the United States can contribute to the cultural well-being of the entire American society. But the strength of these values and of the Indian cultures in general, and their contribution to a healthy pluralist society, will depend ultimately on the economic strength of the Indian peoples. If they can increasingly become part of our capitalist society, where economic well-being increasingly comes not merely from jobs and welfare but from the earnings of capital ownership, the Indian peoples can help themselves and help America become a socio-economic model for the world.

March 12, 1974

MEMORANDUM

TO : NAEDC BOARD
FROM : R.D.Crane *RDC*
SUBJECT : Agenda Item 3: Loan Reserve Fund

I. Original Concept

The idea of a loan reserve fund was developed by William Schulling in July 1973 and presented to Marvin Franklyn of the BIA on August 7 in my proposal for the immediate creation of a Contingency Reserve Fund. The original name for this idea was "credit insurance fund."

The original purpose of this fund was to facilitate banking in the unique Indian environment, which is subject to the vagaries of various state and tribal laws, to the borrowers' limited financial experience, management and money skills, and low equity capabilities, and to the unusual anticipated demand for term loans as substitutes for paid in capital, as well as to the high percentage of requests for financing of new, untried endeavors. A \$2 million reserve or credit insurance fund to cover bad debts would put the AINB on a competitive level with ordinary banks.

The specific objectives of the fund were to: 1) enable the AINB to increase its legal limit to individual borrowers by \$200,000 and provide a base for 20 million dollars in deposits whereby at a ratio of 60% loans to deposits an additional 15 million dollars in loans would be available; 2) assist the AINB in negotiating with participating banks and bringing in new funds not otherwise available, for example by assigning early repayment to participating banks or giving a preferential position in collateral to them and keeping in AINB the longer term portion with its attendant greater risks and lower profits from slower turnover; 3) assist the AINB reorganize existing credit arrangements of established Indian enterprises which are suffering from an initial insufficiency of a loan or from unfavorable terms, rates and other conditions, and 4) preserve the contingency reserve as a revolving loan fund which would generate additional income for the AINB so that the AINB could provide more favorable rates of interest to its borrowers.

II. Implementing Options

The basic idea of asking for a government grant to cover bad debts and thereby to promote the original objectives of a loan reserve fund has no precedent and at present seems to have no better chance of acceptance than several other options, which are:

1. Establish the AINB as the agent for guaranteeing government loans to Indian enterprises. The management job would include actually keeping the loan and guarantee funds in the AINB.

RECOMMENDATION: This management job, unless limited in some way, would be too much for the AINB to handle. It might become feasible, for example, if the AINB acted as the agent of the government only for Indian industrial projects requiring at least \$100,000 in loan funds and \$10,000 in NAEDC consulting funds.

2. AINB obtain a grant to establish a fund to cover the unguaranteed 10 to 15 per cent of loans guaranteed by the government.

RECOMMENDATION: Public policy is very strong that a bank should take the risk of 10 to 15 per cent in order to give the bank an incentive to scrutinize the loan carefully. Jim Marx of OMBE advises that he has gone over this several times with the SBA unsuccessfully. A one-time grant to create a fund to meet the unguaranteed portions of a class of loans would not differ from a grant for one specific loan. There is no reason to think that the AINB would be more successful than OMBE in overcoming this public policy argument, unless a negative incentive or penalty could be devised specifically for this purpose. For example, the AINB might be deprived of \$.50 in guarantee funds in the following year for each \$1 lost to bad debts and might gain \$.25 on each dollar successfully loaned out.

3. AINB act as a depository for guarantee funds, the interest on which could be used to create an AINB guarantee loan fund or loan reserve.

RECOMMENDATION: This option, as stated, is unrealistic, because the money for paying out on guaranteed loans does not exist. Congress authorizes Treasury to print money

or create credit to meet the needs of the guarantee agency as they arise on an ad hoc basis. Therefore there is no account to sit in AINB as CD's earning interest. Even government contract funds are usually created in Treasury only as needs develop. Jim Marx advises that some such funds are created as much as one month in advance, and Agriculture has made an exception to the pay-as-you-go basis for government disbursements by holding funds in a revolving loan fund for 3 to 4 months for farmers in the Midwest. Similar exceptions might be made by Executive action for Indian banking, but a better approach would be to create new legislation requiring that Indian guarantee funds be deposited in Indian banks as soon as appropriated.

4. Congressional action. At least three different bills can be recommended, which are:

a. Provision that funds appropriated for the purpose of guaranteeing Indian enterprises be paid out at the time of appropriation from Treasury to Indian owned banks in CD's, with the interest paid back to the government into a special guarantee fund to cover loans that do not fit the specialized criteria of EDA or SBA loans. Examples of the gaps to be filled are the EDA limitation of loans to companies that can provide one job per \$10,000 of invested capital. The AINB might use the special guarantee fund to assist highly capital intensive industries, which is the general thrust of AINB economic development policy anyway.

b. Provision that half of the guarantee monies be put in Indian-owned banks as reserve loan funds, and the other half be used to guarantee bond issues by the Indian banks to big monied interests, these bonds in turn to serve as collateral for the reserve loan fund.

c. Provision that Indian banks be authorized to issue government guaranteed bonds up to 50% of the federal loan guarantee authorizations to Indians, and that these banks be given as a reserve fund a direct credit in their Federal Reserve System accounts up to 50% of the federal loan guarantee authorizations. Public policy requirements for incentives to assure responsibility in banking could be met by providing suitable penalties for bad or negligent judgement, by permitting the use of the bonds and credits only above and beyond the exhaustion of existing federal guarantees, and by permitting the government to recall loans so secured after five years.

III. First Steps

1. Prioritization of our efforts in the NAEDC on investigating each of these options requires further consultation with government experts.

2. The initial attractiveness of the third listed Congressional option prompts me, after having discussed all the options in this memo with Marvin Franklyn today, to recommend this third Congressional option in my discussions with Vice President Gerald Ford tomorrow. I will also ask him to designate someone on his staff as a contact point for any follow-up action.

BUSINESS CHECKING ACCOUNT

| <u>Minimum Balance</u> | <u>Free Items Allowed</u> | <u>Service Charge</u> |
|----------------------------|-------------------------------|-------------------------------------|
| \$ 0 - 999 | 0 | \$1.00 per mo. and .05 per check |
| \$1000 - 4999 | 25 | .05 for each addl. check |
| \$5000 - 9999 | 50 | .04 for each addl. check |
| \$10,000 - 19,999 | 100 | .03 for each addl. check |
| \$20,000 - 49,999 | 150 | .02 for each addl. check |
| \$50,000 and over | Unlimited | —0— |



BOARD OF DIRECTORS

Mr. W. W. Keeler — *Chairman*

Mr. Barney Old Coyote

Mr. Robert D. Crane

Mr. Peter MacDonald

Mr. Fred H. Massey

Mr. Solomon McCombs

Mr. Ben Reifel

Mr. Richard H. Stover

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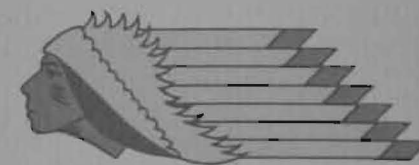
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Mr. Charles W. Swallow — *Senior Vice President*

Mr. William M. Willson — *Vice President and
Cashier*

Mr. George L. Dailey — *Assistant Cashier*



AMERICAN INDIAN NATIONAL BANK



1701 Pennsylvania Avenue, N.W.
Suite 310
Washington, D.C. 20006

Member Federal Reserve System
Member Federal Deposit Insurance Corporation

Telephone Number 202—965-4460

The logo of the American Indian National Bank represents the spirit of the American Indian of today. His youthful face looking forward and upward, gives a vitality and swift movement to symbolize the American Indians' progress towards a bright future.

The number four is a sacred number among American Indian tribes which is why four markings are placed on the face. The number seven indicated by the seven eagle feathers on the headdress, stands for a good fortune and symbolizes successful completion. This portrays the objective of the American Indian National Bank which is to assist in improving economic conditions of the American Indian. Eagle feathers are a mark of strength, power and distinction which also characterizes this bank. The headband on the headdress is a mark of honor for the Indians of America.

This logo was designed by Solomon McCombs, an internationally known American Indian artist.

The AMERICAN INDIAN NATIONAL BANK offers:

- *Regular Savings Accounts*
- *Certificates of Deposits*
- *Personal Checking Accounts*
- *Business Checking Accounts*
- *Loans for all Purposes*

REGULAR SAVINGS ACCOUNT

\$25.00 Minimum

5% — on daily balances
— paid quarterly

Any account closed within 90 days of its opening will be subject to a service charge of \$1.00.

CERTIFICATES OF DEPOSIT

\$1000.00 Minimum to \$99,999.00

INTEREST

5% per annum - less than 90 days
5½% per annum — 90 days but less than 1 year.
6% per annum — 1 year but less than 2½ years
6½% per annum — 2½ years but less than 4 years
7¼% per annum — 4 years

A depositor may not withdraw all or any part of his deposit prior to maturity except with the consent of the Bank which may be given only at the time such request for withdrawal is made.

If the Bank consents to withdrawal before maturity at the time the request was made, the following penalty will be assessed:

Funds on deposit for less than three months:

Forfeiture of all accrued or paid interest on the amount withdrawn.

Funds on deposit for more than three months:

In the event of withdrawal of all or any portion of a time deposit before maturity thereof, the depositor may not receive interest from the date of deposit on the amount withdrawn at a rate in excess of the maximum rate which may be paid on savings deposits by the depository bank on the date of withdrawal, and the depositor shall forfeit all interest, calculated at such savings deposit rate, whether accrued and unpaid, or paid to or for the depositor's account on the amount withdrawn for a period of three months. Where necessary to comply with this requirement, interest already paid to or for the account of the depositor shall be deducted from the amount requested by the depositor to be withdrawn.

CERTIFICATES OF DEPOSIT

\$100,000.00 and Over

Rates quoted upon request and are dependent upon length of maturity and money market conditions at the time.

PERSONAL CHECKING ACCOUNT

| <u>Minimum Balance</u> | <u>Free Items Allowed</u> | <u>Service Charge</u> |
|------------------------|---------------------------|----------------------------------|
| \$ 0 - 299 | 0 | \$1.00 per mo. and .05 per check |
| \$300 - 399 | 10 | .05 each addl. check |
| \$400 - 499 | 15 | .05 each addl. check |
| \$500 - 599 | 20 | .05 each addl. check |
| \$600 - 699 | 25 | .05 each addl. check |
| \$700 - 799 | 30 | .05 each addl. check |
| \$800 - 999 | 40 | .05 each addl. check |
| \$1000 and over | Unlimited | —0— |

Any account with a balance of less than \$300.00 that remains inactive for a period of 12 months will be subject to a \$1.00 per month service charge.



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1701 Pennsylvania Avenue, N.W., Suite 310
Washington, D.C. 20006
Telephone Number 202—965-4460

BOARD OF DIRECTORS

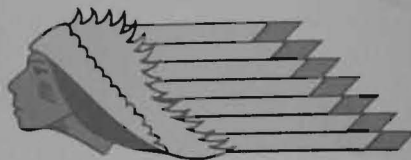
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Mr. Woodrow B. Sneed — *Vice President*
Mr. George L. Dailey — *Assistant Cashier*

Member Federal Reserve System
Member Federal Deposit Insurance Corporation

**AMERICAN
INDIAN
NATIONAL
BANK**



STATEMENT OF CONDITION
DECEMBER 31, 1973

AMERICAN INDIAN NATIONAL BANK

Chartered and Opened for Business
November 15, 1973

CONDENSED STATEMENT OF CONDITION

December 31, 1973

Assets

| | |
|--|------------------|
| Cash & Due From Banks | 326,932 |
| Securities | 517,672 |
| Loans & Discounts | 3,665,384 |
| Bank Premises, Furniture & Fixtures | 93,825 |
| Other Assets | 50,188 |
| TOTAL ASSETS | 4,654,001 |

Liabilities

| | |
|--|------------------|
| Total Deposits | 3,675,028 |
| Reserves | 18,474 |
| Capital | 500,000 |
| Surplus | 300,000 |
| Undivided Profits | 135,395 |
| Other Liabilities | 25,104 |
| TOTAL LIABILITIES & CAPITAL | 4,654,001 |

SOME OF OUR BANKING SERVICES

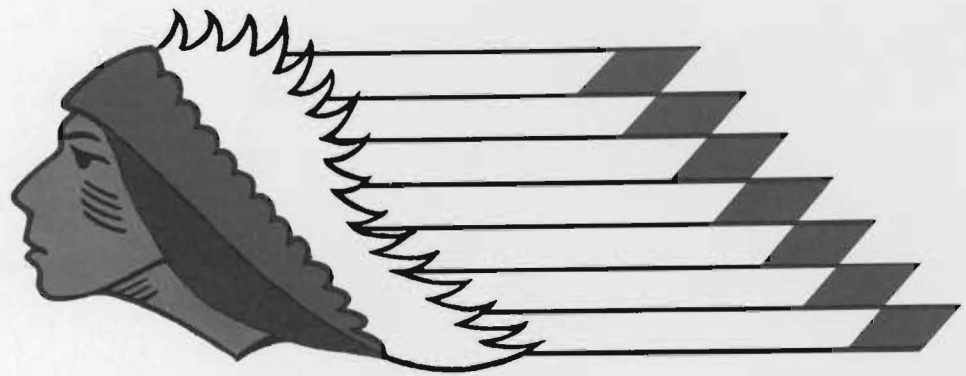
PERSONAL BANKING SERVICES

Checking Accounts
Savings Certificates of Deposit
Automatic Savings
Savings Accounts
Personal Loans
Auto Loans
Boat Loans
Home Improvement Loans
Home Furnishing Loans
Mortgage Loans
Educational Loans
Dividend Collection Service
Money Transfers
Travelers Checks
Personal Money Orders

COMMERCIAL BANKING SERVICES

Checking Accounts
Time Certificates of Deposit
Loans — Collateral and Unsecured
Collections
Treasury Tax & Loan Collections
Tribal Enterprise Financing
Interim Financing (EDA Grants)

Profile

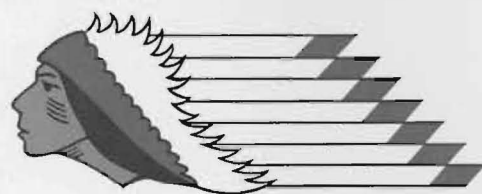


AMERICAN INDIAN NATIONAL BANK

WASHINGTON, D.C.



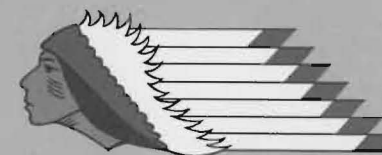
Lobby of the American Indian National Bank in Washington. Offices and board room are decorated with paintings and sculpture by the best of American Indian artists.



The logo of the American Indian National Bank represents the spirit of the American Indian of today. His youthful face, looking forward and upward, gives a feeling of vitality and swift movement to symbolize the American Indians' progress toward a bright future.

The number four is a sacred number among American Indian tribes which is why four markings are placed on the face. The number seven, indicated by the seven eagle feathers on the headdress, stands for good fortune and symbolizes successful completion. This portrays the objective of the American Indian National Bank which is to assist in improving economic conditions of the American Indian. Eagle feathers are a mark of strength, power and distinction which also characterizes this bank. The headband on the headdress is a mark of honor for the Indians of America.

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AMERICAN INDIAN NATIONAL BANK

1701 PENNSYLVANIA AVENUE NORTHWEST SUITE 310 WASHINGTON, D.C. 20006

TO THE AMERICAN INDIAN AND HIS FRIENDS:

On November 15, 1973 the Comptroller of the Currency presented a national bank charter to the American Indian National Bank at a ceremony in the bank's new home, 1701 Pennsylvania Avenue NW, Washington, D.C. This momentous occasion was the culmination of several years of concerted effort on the part of many American Indians working with experienced financial experts.

Additional information about the bank's development is provided in this brochure and includes the banking services now available. Along with other members of the bank's first board of directors, numerous senior government officials, and the officers of International Bank of Washington, D.C.—an experienced financial services organization—we are convinced that this Indian-owned banking institution will spark major improvements in the economic well-being of the American Indian.

We are proud to be a part of the opportunities which this bank offers the Indian citizen. We are fully aware of the great responsibilities we have accepted. The active participation of American Indians and their associated tribes and communities in the 50 states—as well as that of all individuals and organizations sympathetic to the Indian cause—is earnestly solicited.

Barney Old Coyote
President



Opening Day Ceremony



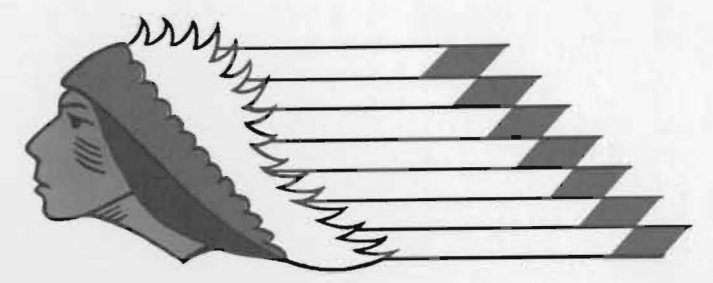
1. Miss Indian America (Maxine Norris, Papago) cuts a ribbon of dollar bills across the entrance to the Indian Bank. With her, from left: W. K. Keeler, AINB board chairman, Barney Old Coyote, president, and Marvin L. Franklin (Iowa), assistant to the Secretary of the Interior for Indian Affairs.

2. Interior Secretary Rogers C. B. Morton addressing officials and guests at ceremony celebrating the chartering of AINB. Front row from left: Marvin L. Franklin, Gen. George Olmsted, chairman and president, International Bank of Washington, D.C., James E. Smith, Comptroller of the Currency, Barney Old Coyote.

3. AINB officers receive a \$1 million deposit on the first day of business. From left: Barney Old Coyote, AINB president; Thomas V. Jeffords, assistant treasurer of International Bank, the depositor; Charles W. Swallow (Oglala Sioux), AINB senior vice president, standing; William M. Willson, AINB vice president and cashier, holding deposit checks.

4. Traditionally selected from many candidates, Miss Indian America represents some 800,000 Indians across the nation. With her at microphone is W. W. Keeler.

5. In front of backdrop showing AINB official insignia. From left: Gen. Olmsted, W. W. Keeler, James E. Smith, Barney Old Coyote.



AMERICAN INDIAN NATIONAL BANK

Concept and Background

The concept of a national Indian financial structure, wholly owned by American Indian organizations and individuals, that would assist Indian communities to establish and develop a strong economic base, has been discussed over the course of many years. Government officials and Indian leaders have exchanged views, which gradually coalesced into a workable idea.

It was agreed that such a financial structure would encompass banking operations, venture capital, industrial capital and insurance services to Indians throughout the United States.

The foundation and first step in this effort is the establishment of the American Indian National Bank. Its creation was considered a primary necessity in the view of advocates of Indian economic development. These included: William W. Keeler (Cherokee); Peter MacDonald (Navajo); Marvin L. Franklin (Iowa); Robert Bennett (Oneida); Robert Jim (Yakima); Earl Old Person (Blackfeet); and John Borbridge (Tlingit). General George Olmsted, chairman and president of the Washington-based financial services International Bank, synthesized the project by providing a specific concept and the assistance of experienced financial experts.

The application for a charter was unique for several reasons. In 1970 the Commissioner of Indian Affairs had appointed an Indian Banking Committee to examine the need for and evaluate the problems involved in establishing an Indian-controlled financial structure.

The findings of this task force portrayed the Indian community as an economic "island" within the American free



enterprise system. Tribes, reservations, communities and similar groups had no Indian-oriented financial structure to assist them in the protection, development and control of Indian resources. No vehicle existed to help Indians expand their own capabilities through improved access to the financial segment of the United States economy.

The study revealed that although there was outstanding Indian talent across the nation, it was not sufficiently conversant with financial and banking functions to launch unilaterally a financial services venture by Indians themselves.

Federal funds were obtained to conduct a training program in banking operation for Indians. International Bank of Washington was engaged as the management consultant to the American Indian National Bank to initiate banking operations and to provide continuing assistance over a five-year period. This relationship would also include optimum access to financial practices and activities through International Bank's operations, associates and direction. The founders envision expansion of the financial structure into venture/industrial capital for Indian enterprises and the establishment of Indian insurance programs.

Additionally, International Bank advanced a million dollars for use as initial capital so that banking operations could begin simultaneously with invitations to tribes and individuals to invest in the fledgling bank. This initial capital is administered by a separate American Indian Trust which will exist for a period of not more than one year. During this period the Trust will sell all the shares of stock in its custody to Indian tribes, organizations and individuals. Only Indians may purchase stock in the Bank. Plans have been made for expansion of the capital base to permit the Bank to have a major impact upon Indian communities as rapidly as practicable.

The concerns and needs of the Indian community will remain priority considerations of AINB, which will seek to acquaint financial institutions throughout the nation with specific Indian situations and opportunities.

Consistent with its goals and objectives, AINB will seek the advice of American Indians on policy and practice.

Chartered as a national bank by the Comptroller of the Currency, AINB officially began operations in Washington, D. C. November 15, 1973. The Bank is established under Federal banking laws and is a member of the Federal Reserve System. It is subject to normal regulatory requirements of the Comptroller of the Currency and fully accredited and insured by the Federal Deposit Insurance Corporation (FDIC).

An institution unique in U. S. history, AINB provides a full range of banking services. Open for business at 1701 Pennsylvania Avenue N. W. in Washington, D. C., it contemplates future operations in Indian communities across the nation.



Stock Ownership

The authorized capital stock of AINB is 500,000 shares with a par value per share of \$5 and a selling price of \$10. The Board of Directors has recently approved an action to increase the par value to approximately \$25 per share and the selling price to approximately \$50. Assuming that all of the authorized stock is offered and sold, total proceeds would be in excess of \$25 million.

AINB stock will be offered for subscription in accordance with the policies of the Board of Directors. Each such offering shall be approved by the Comptroller of the Currency and shall be consistent with AINB stock ownership provisions. This stock offering is expected to be made early in 1974. Proceeds of the offering will be used for expanded capitalization purposes.

Each subscriber must be a "qualified purchaser" within the meaning of AINB's Articles of Association, and must be approved as such by the Board of Directors. Pertinent extracts from the Articles are:

"Shares of capital stock of the Association shall be issued only to Qualified Purchasers as that term is defined herein. A person (which term shall include corporations and other entities) shall be considered a Qualified Purchaser only upon satisfaction of either subparagraphs (a), (c), and (d) below or subparagraphs (b), (c) and (d) below:

(a) Such person is either (i) an enrolled member or person entitled to be an enrolled member of a tribe, band, community, association, or other grouping of Indians (as determined by such tribe, band, or other grouping) which has obtained general recognition by the Bureau of Indian Affairs, for programs administered by it, as an "Indian Tribe," or (ii) a tribe of Indians which has concluded a treaty with the United States of America and is accepted by the Bureau of Indian Affairs as an Indian Tribe;

(b) Such person is (i) primarily interested in, or so closely related to an Indian Tribe that such person's relationship with the Association would be in the best interests of the Association and (ii) endorsed by the governing body of at least one Indian Tribe which has obtained general recognition as set forth in (a)(i) above;

(c) Such person owns, directly or indirectly, no more than 5% of the total amount of securities of the Association issued and outstanding;

(d) The Board of Directors of the Association has determined, in the exercise of its discretion, that such person meets the criteria set forth herein."

It is expected that Indian tribes will be the primary subscribers to the initial offering, although approved individuals may also participate. But so that no single tribe or entity will obtain a controlling interest in the Bank, no one subscriber may acquire more than 5% of the total capitalization. When stock is issued, it will bear a restrictive legend to the effect that it may be transferred only to "qualified purchasers."





Board of Directors, AINB, from left: Robert Jim, Fred H. Massey, Robert D. Crane, Barney Old Coyote, Richard H. Stover, W. W. Keeler, Ben Reifel, Solomon McCombs, Peter MacDonald (inset).

Board of Directors and Officers

W. W. Keeler, principal chief of the Cherokee Nation of Oklahoma and former board chairman and chief executive officer of Phillips Petroleum Company, was elected first chairman of the new bank.

At the initial stockholders' and directors' meeting, Barney Old Coyote (Crow) was elected president of the bank, and Richard H. Stover executive vice president and senior adviser. Charles W. Swallow (Oglala Sioux) was elected senior vice president.

Barney Old Coyote was formerly a professor at Montana State University and the coordinator of a program of feasibility studies which documented a long-standing need for an Indian financial structure, with emphasis on an Indian bank.

Richard H. Stover has been a banking executive for the past 25 years. His experience covers all aspects of commercial and trust banking, and recently he was president of the \$500 million Empire National Bank, Middletown, N. Y.

Directors of AINB, in addition to Keeler, Old Coyote and Stover, include: Peter MacDonald, chairman of the Navajo Tribal Council; Dr. Ben Reifel, a Rosebud Sioux and former Congressman from South Dakota; Solomon McCombs (Creek), an internationally-known Indian artist; Robert D. Crane (Cherokee) of the State Department; Robert Jim*, Yakima Tribal Council Chairman; Fred H. Massey (Choctaw), former Assistant Commissioner for Indian Affairs.

*recently deceased

Banking Services

AINB will provide all services normally offered by a full service commercial bank. These operations will be subject to the prescribed regulatory procedures of a national bank, including periodic examination by the Comptroller of the Currency. Deposits are protected by the standard FDIC coverage.

However, AINB operating policies are designed to be responsive to Indian requirements. These include the provision of assistance in securing appropriate financing for Indian requests which may exceed AINB capabilities. Further, this assistance encompasses financing associated with appropriate government programs and/or with other financial institutions.

AINB intends to become an innovative and profitable banking institution that will provide a favorable return on investment to its Indian shareholders. At the same time, the bank's orientation toward Indian requirements will fulfill a recognized human need.

DEPOSITS AINB will accept both time and demand deposits from persons, groups and organizations desiring to assist the American Indian, as well as from those that wish to establish normal banking relationships. While Indian organizations will predominate in the latter category, all types of business, foundation and individual accounts are welcomed. Demand deposits are encouraged, as are savings accounts and Certificates of Deposit. Savings and checking accounts can be opened at our office or by mail.

LOANS With respect to loans, AINB will deal primarily with Indian tribes, organizations and groups—making loans for worthwhile purposes. Application for loans, together with supporting data, should be directed to AINB headquarters at Washington, D.C.

TRUST OPERATIONS AINB will operate a trust department tailored to Indian requirements. It will handle all trust functions including programs involving scholarships, health and welfare. Announcements pertaining to the details of these programs will be issued as the services become available.

GENERAL AINB will also establish relationships with financial service organizations not directly associated with normal banking operations. When such activities are outside the scope of AINB services, the bank will direct its customers to organizations offering Indian-oriented venture/industrial capital and insurance programs.

NOTE See inside back cover for names, addresses and phone numbers of senior AINB officials.



Officers



Barney Old Coyote, president. A native of Montana and a former University professor, he still participates in tribal activities on the Crow reservation.



Richard H. Stover, executive vice president and senior adviser. A native of New Jersey, he has been a banker since 1933, acquiring skills in all aspects of commercial and trust banking.



Charles W. Swallow, senior vice president, is an Oglala Sioux. Most recently he was chief of credit and financing, Bureau of Indian Affairs.



NOTE

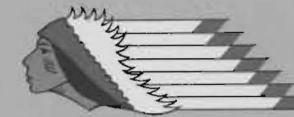
Members of the Board of Directors and officers are prepared to be immediately responsive to requests for information about the bank and its services.

Please write or call any of the following:

•
Barney Old Coyote, President
Telephone (202) 965 4460 ext. 28

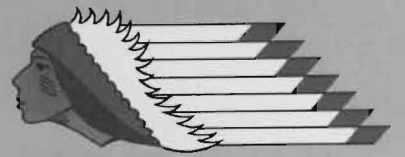
•
Richard H. Stover, Executive Vice President
Telephone (202) 965 4460 ext. 26

•
Charles W. Swallow, Senior Vice President
Telephone (202) 965 4460 ext. 24



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