

II. Profit-Making Versus Non-Profit Form

As indicated above, private corporations formed to serve a public purpose have been organized both as profit-making entities and on a non-profit basis. Profit-making corporations have shareholders each owning an individual stock interest. The shareholders receive dividends on their stock, if the corporation is able -- and elects -- to pay dividends. Shareholders are usually free to sell their stock at any time, although restrictions may be imposed on the sale of stock.

The regional corporations established by Section 7 of the Alaskan Native Claims Settlement Act 1/ are profit-making corporations of this kind. Over a number of years, the regional corporations are to receive cash grants of nearly \$1 billion and take title to the subsurface estate (oil and mineral rights) in approximately 40 million acres of land. During the first five years after formation of the regional corporations, they are required to distribute to their stockholders at least 10 percent of the revenues received both from the settlement fund and from any sales or leases of mineral or oil rights. Under the statute, each native enrolled in the region must be issued 100 shares of stock upon the organization

1/ 43 U.S.C. §1606.