



Questions & Answers

Peguis First Nation 1907 Surrender Claim Settlement

MAY 2009

Background:

1. *What is the Surrender Claim?*

The St. Peter's Indian Reserve was set apart as the first reserve for Peguis (then known as the St. Peter's Indian Band) after survey by Canada in 1873/74. After disputes over the land in the reserve could not be resolved between 1874 and 1906, Canada appointed the Chief Justice of Manitoba Hector Howell to review the disputes. He recommended that Canada take a surrender of the St. Peter's Reserve. By law, Canada is not entitled to take Indian reserve land without the informed consent of the adult Members of a First Nation, nor may the Crown accept a surrender of the Band's interest in its land that is improper or improvident.

Although Indian Affairs took a surrender of the St. Peter's Reserve in September 1907, Peguis asserted that Indian Affairs failed to comply with the law. Band Members were not informed of the terms of surrender and the majority of its male Members over 21 years of age (as required in 1907) did not willfully consent to the surrender. Accordingly, Peguis has

argued since 1907 that the surrender taken was legally invalid. This is called the "Surrender Claim".

Acceptance of the Claim for Negotiation:

2. *Why has it taken so long to secure a settlement of this Claim?*

Canada disagreed with Peguis about whether there was any valid claim at all, denying there was any outstanding legal obligation of Canada. After Canada rejected the Peguis claim that the surrender taken was invalid three times under its Claims policy, Peguis submitted the claim to the federal Indian Specific Claims Commission for review in 1994. As a result of the review before the ISCC, the claim was finally accepted for negotiation by Canada in June 1998. The claim itself was very complicated to assess and value, looking back over a century of loss and benefits to Peguis. It took 10 years to estimate the compensation owed to Peguis and to negotiate the proposed final terms of settlement.

Compensation for Settlement:

3. *What is the proposed compensation to be paid to Peguis?*

Peguis receives cash compensation and retains ownership of its existing Reserves 1B and 1C, an area of approximately 78,208 acres (122.2 square miles) of land. The cash portion of the overall settlement amount is \$126,094,903.00 which includes all Claim negotiation costs, legal services fees and the net compensation to be paid to the Peguis Trust.

Within 45 days after the settlement agreement is signed by both Peguis and Canada, Canada will repay all loans advanced to Peguis for the Surrender Claim negotiations between June 1998 to date including all negotiation/compensation assessment costs, final legal services costs and all community approval costs of \$7,344,903.00 and pay the sum of **\$118,750,000.00 directly into the Peguis Trust**, not to the First Nation.

Compensation is a NET figure based on the market value of the former Reserve and existing Reserves 1B and 1C which were received in exchange for the former Reserve; the difference between the economic loss/benefits from the loss and use of those lands; offsets claimed by Canada and relocation costs.

4. ***What must Peguis provide to Canada in exchange for the cash and land compensation to settle Peguis' surrender claim?***

In consideration of the overall cash and land settlement, Peguis will provide Canada with:

- a release of Peguis First Nation claims in relation to the illegal surrender of the former St. Peter's Reserve and matters related to the negotiation of the settlement;
- an affirming absolute surrender of the former St. Peter's Reserve, (except for its existing Reserves 1D, 1E, 1F, 1G, 1H and 1I in and around the former Reserve).

As stated in the agreement, the Release does not affect any claims of Peguis prior to the surrender of September 1907, nor any individual non-communal claims, if any, that may exist at law.

Payment of Compensation:

5. ***Why is the compensation paid directly to the Peguis Trust, not to Peguis First Nation's bank account?***

For at least two reasons. Firstly, former Peguis administrations incurred a deficit covered by Royal Bank terms loans with interest which stood at a total of \$11,781,171.00 as stated in our audit as of March 31, 2008. Peguis must work hard to repay its debt, a debt that must be repaid out of our annual funding and other revenues. This debt means we cannot provide for community needs the way we should. Banks would be able to claim the settlement money if paid into the Band general accounts. Secondly, the claim settlement is intended to provide a long term asset for the benefit of our existing AND our future Members forever. If the funds were paid into the Peguis bank accounts, all of the money could be spent at any time by the existing Council for whatever purposes without the input of Peguis Members.

Placing the funds into a Trust account controlled directly by Peguis Members should ensure that the funds are used for needs of our community, for our Members living both on and off reserve forever, not to meet short term political agendas. Trust money cannot be used to pay Peguis operating deficits or debt.

6. ***Isn't the 1907 surrender claim a settlement for Peguis First Nation, not a settlement of any individual claims?***

Yes, the settlement represents compensation for Peguis, for the Band as a whole, for the benefit of everyone, not individual Members. As the settlement compensation is intended to address the illegal taking of the common Reserve land in 1907, the settlement should be viewed as benefit for all Band Members together - those alive today and those who will be in the future, our children as yet not born. It represents future opportunity for all of us.

No individual claims (if any exist) were resolved by this settlement; individual claims are not affected by the Release in the surrender claim settlement agreement.

Members Control the Peguis Trust:

7. ***Explain how Peguis Members "control" the Peguis Trust.***

After costs of negotiation and final legal services are paid, the net compensation of **\$118,750,000.00**, is paid directly to the Peguis Trust under the terms of the Claim settlement agreement to be used for the benefit of Members of Peguis. The members of Peguis control the Trust in many ways, just like the Members control the TLE settlement Trust.

Nominating Committee: The committee made up of only Peguis Members develops the eligibility criteria for Members applying for appointment/election as Trustees. The criteria must then be approved by the Members of Peguis at a general meeting. The committee also receives applications and determines the Peguis Members who will stand for election as Trustees. So the Members of Peguis set the criteria, approve the criteria and make up the committee that decides which Members will be nominated to stand for election as Trustees.

Financial Management: The funds and operations of the Trust are administered by seven Financial Trustees (five Members elected by Peguis Members and 2 independent Trustees appointed by Council – one of the appointees must be a chartered accountant, the other must be a Corporate Trustee or professional).

Community Projects: A second group of five Community Fund Trustees are all Peguis Members who are both nominated and elected by Peguis Members. These Trustees review and approve projects such as elder

support, education assistance, housing assistance, cultural programs and economic development on and off reserve. Projects over \$75,000 must also be approved by Council and any over \$250,000 by the Members of Peguis.

So only Peguis Members approve of the criteria for Trustee applicants, only Peguis Members sit on the committee that nominates Peguis Members who will stand for election as Trustees, and make up at least 10 of the 12 Trustees elected by the Members and approve of all community projects regardless of amount. Finally, Peguis Members set the Trustee compensation and can remove Trustees who do not act in accordance with their obligations. The Trustees are fully, legally accountable to the Members of Peguis under the Trust Agreement.

Explanation of the Surrender Claim Settlement:

8. *Where can Members obtain information about the settlement?*

Community claim information and general Band meetings have been held to explain the surrender claim and state of negotiations over the last 10 years. Earlier meetings emphasized the TLE talks, but various meetings dealt with both matters, as did the ten or so Newsletters circulated. More recently, during the first referendum on the Surrender Claim settlement held in January 2009, large information packages were mailed to all voting Members living off reserve and delivered to all voting Members living on reserve. In addition to the Ballot question and completion instructions, the package included:

- a letter from Chief and Council regarding the terms of settlement and vote/referendum;
- a copy of the proposed settlement agreement and a detailed technical explanation from our Claim lawyer;
- a copy of the proposed Trust agreement describing the conditions of administration of the Peguis Trust into which the settlement funds would be deposited by Canada and a detailed explanation of the Trust from our Trust/tax lawyer;
- a DVD explaining the negotiation and terms of settlement of the Surrender Claim.

This material can be seen on the Peguis website www.peguisfirstnation.ca. Copies can also be obtained upon request to the Administration office at 1 204 645 2359 or toll free at 1 866 645 2359.

For the second vote/referendum on June 13, 2009, all voting Members will be provided with an updated letter from Chief and Council explaining the need for the second vote and an updated overview in the form of a Newsletter.

Voting Members living off-reserve who did not receive the original information package and have either become eligible to vote or have provided current address information since the first vote, will be mailed a copy of the original information package along with the updated letter from Council and updated newsletter reviewing the Claim negotiations and settlement.

9. *How was the Surrender Claim compensation negotiated?*

After the Claim was accepted for negotiation in 1998, Peguis hired a lawyer who specialized in Aboriginal Law and, in particular, claim negotiations. Peguis then secured negotiation loan funding from Canada, the costs covered by Canada and added to the ultimate settlement amount. We then negotiated a protocol or agreement to guide the negotiations and scope of assessment of compensation. Peguis and Canada hired independent professional consulting firms from across Canada to undertake the assessment of land value, economic loss and benefits and research projects required to obtain an estimate of the potential compensation. Peguis also hired its own technical advisors to examine the Study results (e.g. a professional land appraiser, professional foresters and engineers, etc.) The independent assessment work took 4 to 6 years from start to finish including instructions to the firms, draft and final report review and final analysis. Some assessments had to be redone or updated prior to the negotiations on compensation in the spring of 2008 as the reports obtained had become outdated.

All of the historic dollar values in the assessment reports had to be updated to 2008 dollar values by means of a complex formula for conversion which was a matter of Canada wide discussion and debate. Ultimately, we agreed on a means of completion of a current value conversion.

As set out in more detail in the Claim Overview included in the original information package provided to Members, compensation for the Surrender Claim was determined as a net calculation of the following:

For Peguis:

- The current unimproved market value of the Claim Land (being the agreed area of the former St. Peter's Reserve at the time of surrender in 1907);
- The current value of the annual economic loss from its inability to use the land for agriculture, forestry, mining, mineral extraction, other land development (commercial, etc.), and resource harvesting; and
- Losses arising from its community relocation (community infrastructure, physical relocation and loss of property).

Offset by credits to Canada for:

- The current unimproved market value of the Peguis Reserves 1B and 1C;
- The current value of the annual economic benefit from Peguis' use of that land for agriculture, forestry, mining, mineral extraction, other land development (commercial, etc.), and resource harvesting;
- The current value of the annual economic benefit from Peguis' use of the Claim Land for the above purposes after 1907;
- Costs paid by Canada for the community relocation;
- Amounts paid to Peguis for the sale of St. Peter's Reserve common land;
- Amounts paid to Peguis for other uses of the Peguis Reserves and former Reserve after 1907 (land transactions); and
- Amounts paid to Peguis under *The St. Peters Reserve Act* to discharge liens on the Claim Land.

Each value was converted into current dollar values and a final calculation produced to provide a guideline for settlement negotiation purposes.

Finally, the sum of \$500,000.00 was added for compensation associated with the 'south boundary issue', along with loans from Canada for negotiation costs to produce the overall settlement amount of \$126,094,903, as allocated as follows:

A.	Repayment of Loans	\$ 5,594,903
B.	Final Legal Costs	1,750,000
C.	South Boundary Issue	500,000
D.	Other Compensation	118,250,000
	Amount paid into Peguis Trust	\$118,750,000

10. *What was the "south boundary issue"?*

During Treaty negotiations, some, but not all, First Nations identified where they would select land for Reserves. Peguis First Nation entered into Treaty 1 named the St. Peter's Band. Peguis also asked that its reserve land be set apart *"... on both sides of the Red River, beginning at the south line of St. Peter's Parish, ..."*.

Manitoba had revised Parish boundaries for electoral purposes after Manitoba entered into the confederation of Canada in 1870, the year prior to the signing of Treaty 1. During those boundary revisions, the south line of the original St. Peter's Parish was changed or relocated by Manitoba. Only a few months later, Peguis, along with many other First Nations, signed Treaty 1 on August 3, 1871. The south line of St. Peter's Reserve was in fact surveyed at the relocated south line of the Parish when it was surveyed two years later in 1873/74.

The question which arose in the Claim negotiations was then: Which line was understood/intended to be *"... the south line of St. Peter's Parish ..."*, the south boundary of the reserve, at the time of Treaty? – the historical south line of the original St. Peter's Parish, as likely understood by Peguis, or its new location where it had been relocated just a few months prior to the signing of Treaty 1. Peguis called this uncertainty the "south boundary issue" or claim.

To be clear, the south boundary of the Reserve was surveyed at the new south line or boundary of the Parish of St. Peter's which existed on the date of signing of Treaty 1 and at the time of survey. However, Peguis argued that Chief Prince would have understood the south line of the Parish to be based on the historic common understanding of the location

of the south boundary of the Parish. As expected, Peguis and Canada disagreed.

The question for discussion also became – if the reserve boundary was surveyed farther downstream than intended by Treaty, would the reserve otherwise been simply moved upstream to the original south boundary of the Parish of St. Peters? Seeming the most logical alternative, Peguis examined the quality of land contained within the theoretical relocated reserve boundaries and the potential economic implications for compensation purposes. Research indicated that the quality of land further upstream was very similar in nature and would likely have had virtually the same use and development potential as well as market value. In the end result, after lengthy debate with Canada involving the Minister of Indian Affairs at times, the “south boundary issue” as it was called was resolved, partially as a matter of the Treaty land entitlement (TLE) settlement and partially as a matter of the Surrender Claim settlement – Canada arguing the matter was TLE-based and Peguis arguing the matter was Surrender Claim-based.

The negotiators for Peguis and Canada initialled a memo on resolution of the matter in December 2005 which resulted in combined compensation to Peguis of an estimated \$2,700,000.00 despite the uncertainties of the claim. In summary, the south boundary issue was resolved by:

- Increasing (in the TLE settlement) the amount of Crown Land that Peguis could select by 5,000 acres (7.8 square miles) from 50,038 acres to 55, 038 acres;
- Decreasing (in the TLE settlement) the amount of private land that Peguis will purchase from 116,758 acres to 111,758 acres (incidentally reducing Peguis and INAC administration costs as well);
- Peguis retaining (in the TLE settlement) the amount allocated per acre for land purchase being \$440 x 5,000 acres or \$2,200,000.00, the amount that the Purchase Fund set up under the Peguis TLE agreement might have otherwise been reduced; and also,
- The payment of \$500,000.00 to Peguis, the south boundary claim being expressly settled and released in the Surrender Claim settlement.

In the circumstances, this was a successful outcome for Peguis in relation to the “south boundary issue” and as explained above,

resolved in arrangements within both the TLE and Surrender Claim settlement agreements.

11. *When were information meetings about the Surrender Claim held?*

Although meetings were held to update Members before the negotiators reached a consensus on the financial terms of settlement in March 2008, more specific information was provided to Members in various Band meetings since that time, in newspapers and at the detailed sessions held at Peguis, Winnipeg and Selkirk in August 2008 and again in January 2009.

An updated summary Newsletter explaining the Claim and settlement details will also be provided to all Members before the second vote on the settlement on June 13, 2009.

Voting Process:

12. *What is the exact question that Members are being asked to vote on in the second referendum in June?*

The exact question is:

"As a voter of the Peguis First Nation, do you

- a. agree to the terms and conditions of the Peguis First Nation, 1907 Surrender Settlement Agreement (the "Settlement Agreement"),
- b. agree to the terms and conditions of the Peguis Trust Agreement,
- c. assent to absolutely surrender, pursuant to sections 38 and 39 of the Indian Act, all rights and interests of Peguis First Nation of any kind to and in all the land described in Article 3.1 of the Settlement Agreement; and
- d. authorise and direct present and future Councils (which include the Chief) of Peguis First Nation to act on behalf of Peguis and its Members, to sign all documents and take all necessary measures as required to give effect to the Settlement Agreement, the Peguis Trust Agreement and the absolute surrender?

13. *How can Members on and off Reserve get to Vote?*

All Members on the Voters List who are 18 yrs of age and older on June 13, 2009 can vote. Members should check the List posted at the Band office and Winnipeg Post Secondary Education program office to ensure that their names are on the Voters List. If your name is not on the List, you will have to confirm your membership with the Membership Committee by providing the necessary information and application. Members living off reserve have the responsibility for ensuring that a current address is provided to the Membership Clerk and whenever your address changes, otherwise, you will not receive notices and other materials sent to Members from time to time. The voting options are:

(a) Vote in person:

At Peguis Community Hall between the hours of 9:00 a.m. and 8:00 p.m. on **June 13, 2009**, or,

(b) Mail in Ballot:

Mail in ballots may be returned by mail or in person, but must reach the Electoral Officer or a Deputy Electoral Officer before the closing of the poll on June 13, 2009. Mail in ballots can and should be sent in by Members as soon as possible to ensure your vote is counted!!

If a Member is eligible to vote and has not received a mail-in ballot or cannot vote in person and needs to vote by mail in ballot, please contact the referendum Deputy Electoral Officer, Bob Norton, at 1-866-795-5081.

(c) Drop-off Mail in Ballot:

Mail in ballots may be deposited on June 13, 2009 at the Polling Station at Peguis Reserve or with a Deputy Electoral Officer at the Place Louis Riel Hotel, 190 Smith Street, Winnipeg, Manitoba on:

June 12, 2009 Friday from 9:00 a.m. to 4:00 p.m.

June 13, 2009 Saturday from 9:00 a.m. to 4:00 p.m.

14. *When will the votes be counted?*

The votes will be counted at the Peguis Community Hall, Peguis, Manitoba on Saturday, June 13, 2009 following the closing of the poll. The results will be declared following the count.

15. *What vote is needed from Peguis Members to confirm acceptance of the Surrender Claim settlement and affirming surrender of the former Reserve?*

Since this is the second vote called by the Minister under the Indian Act Referendum Regulations, the decision to accept or reject the proposed settlement is by the simple majority of votes cast, rather than an absolute majority of the voting Members. So, if the majority of eligible voters – vote YES - to accept the settlement, the settlement is accepted. However, if the majority who vote, cast a NO vote, the proposed Settlement Agreement and surrender are rejected. Contrary to misinformation circulating in the community, there is no further vote called by Indian Affairs and no further new negotiations can be expected.

It is important that all Members then get out to cast their votes for the future of our community.

16. *If the Members of Peguis do not vote to accept the settlement, will Canada renegotiate the proposed terms of settlement?*

Although it is not possible to guess at what Canada might do, the Council feels renegotiation is extremely unlikely because Canada has already spent millions of dollars and ten years in exhaustive, intensive negotiations with Peguis.

It has been suggested by some Peguis Members that this settlement is “not enough” or we should reject the settlement and negotiate more for more compensation. There is no “magic figure” for settlement, reaching agreement on a reasonable settlement is a matter of fair assessment by independent consultants and negotiations between Peguis and Canada with the assistance of experienced, qualified technical and legal advisors.

Peguis and Canada reached agreement on study directions for independent consultants. Studies on land values, economic activities, relocation and the other elements of the Claim settlement compensation each took several years to complete -- all under the supervision of highly qualified independent technical advisors and appraisers for each of Peguis and Canada. The results of each study were analyzed by each party. The resulting range of compensation produced multiple options depending upon which criteria were applied by each party. Compensation estimates were then a matter of years of determination, done by independent assessors, analyzed independently by each party and the final settlement figures the result of intensive and extensive debate.

If this settlement is rejected, it is unrealistic to assume, and inappropriate to even suggest, that Canada would simply enter into new negotiations after 10 years of work and millions in negotiations costs. Canada must speak for itself, but Council, as well as our Claim lawyer, are of the opinion that this vote represents our opportunity to settle this Claim.

It should be also noted that Peguis negotiated a lump sum payment of the full amount of cash compensation, one cheque in the amount of \$118,750,000.00 to be paid to the Trust, rather than a series of payments over say a 3 to 5 year period with interest which is likely to be the approach taken by Canada with most large Claim settlements in the future. This is a significant point to consider when the Members are voting on settlement. All of the settlement amount (\$118,750,000.00) will be paid into the Peguis Trust to earn investment income to be used for community purposes 45 days after Canada signs the settlement agreement.

Administration of the Claim Settlement Funds:

17. *If the settlement is for Peguis First Nation, why is there going to be a vote after the settlement on a possible per capita, or individual payment?*

The vote on June 13th is on whether or not to accept the claim settlement, approve of the Trust agreement and authorize the affirming surrender of the former Reserve; our Members asked that the question of a possible per capita payment be undertaken in an entirely separate vote later on. **IF** our Members accept the claim settlement on June 13th, there will be a second vote of our Members called within 60 days on **whether or not a per capita payment should be made at all**. There will be no individual or "per capita payment" from the settlement Trust, unless our Members agree a payment should be made in the Trust vote held sometime during the summer of 2009.

During community meetings to discuss the Surrender Claim settlement in August 2008 and January 2009, many of our Members asked that the Peguis Membership be given the opportunity to vote on **whether or not** any form of payment to individual Members should be made from the Trust funds in a vote apart from the claim settlement vote. This is being done. Due to our sizeable membership, the overall cost of any type of individual payment will likely be large, in the range of \$9,300,000.00 since the Trust question has been amended to provide that ALL Members benefit from a per capita payment, not just those 18 years of age and

older. Many Members would prefer to direct these funds to the planned sports complex, to meet the needs of Members living off and on reserve or to other longer term projects of broad community benefit, but it is up to our Members to decide one way or the other in the Trust vote.

So, there are then 2 separate votes to be held. The first vote on June 13, 2009, is to consider whether or not to accept the Surrender Claim settlement, approve of the Trust agreement and authorize the affirming surrender of the former Reserve. **IF** our Members vote to settle the Claim, there will be another vote under the terms of the Trust on whether there should be a per capita payment or not.

18. *If our Members vote for a per capita payment after the settlement, could they decide to pay out all of the settlement to Members?*

No. The vote after settlement of the Surrender Claim on a possible per capita payment is firstly whether or not there should be any payment to individual Members of Peguis at all. The Trust is intended to hold, invest and use the settlement funds for the benefit all Members, for our future generations. As the Trust is written, the question concerning a payment to individual Members is intended to be a one-time matter only. If approved, this payment itself will likely be in the range of about \$9,300,000.00 based on present estimates of the number of Peguis Members -- the rest of the Trust funds would remain for community use in the future.

Otherwise, the Trust itself would have to be terminated to provide for a larger or annual payment to individual Members. Since the Trust is intended to provide a virtually permanent legacy for the Members of Peguis, termination of the Trust is very difficult; it can only be done by an exceptional vote of the Peguis Members. Also, if the Members terminated the Trust in a vote of 90% of the Members, of which 75% vote in favour of termination, a further vote of Members would be required on the distribution among Members. Although termination is technically possible, this type of vote would be very unfortunate as future generations of Members would not benefit from the settlement.

19. *Is it true that Chief Louis Stevenson and two other Councillors signed a Council Resolution in July 2005 purporting to pledge 25% of the investment income on claim settlement funds to pay off the debt of Peguis First Nation?*

Yes. On July 25, 2005, former Chief Louis Stevenson, along with then Councillors Glennis Sutherland and Lloyd Sinclair, apparently without the knowledge or consent of the other two members of Council, signed a Resolution purporting to pledge settlement funds as security for loan financing being negotiated with the Royal Bank to cover operating deficits amounting to approximately \$11,781,171.00 of debt that had been incurred during his lengthy term of office. The existence of this Resolution of the former Chief and two Councillors was not discovered by our new Council until the fall of 2006, despite the fact Councillor Glennis Sutherland was re-elected in March 2006.

Chief Stevenson's Resolution was not adopted at a duly convened meeting of Council. Further, at the time of signing of the Resolution, Peguis was in the midst of negotiation of its TLE settlement. Council, including the former Chief, had publicly and repeatedly assured our Members that the TLE settlement trust funds could not and would not be used to pay off Peguis debt or fund any operating deficit. Arguably, the Resolution was signed in breach of the former Chief's undertakings and promises, his duty to Peguis and the terms of the TLE Trust Agreement.

Upon discovery, Chief Glenn Hudson and his Council advised Royal Bank that the Council Resolution was invalid, that it did not represent a valid commitment by the First Nation and could not be relied upon as security for the \$11 million of loan financing extended by the Royal Bank. Royal Bank replied in April 2008 indicating that it would release its "security" provided by the Resolution conditional upon receipt of a payment of \$1.25 million by Peguis (not the Trust). Council has since received a demand for payment and has and will refuse to pay the special \$1.25 million payment, although Peguis First Nation remains obliged to pay off the operating loan. Clearly, the Trust has no obligation to pay the debt or operating deficit of Peguis First Nation. Peguis engaged a lawyer to review the matter, including any possible breach of trust or fiduciary duty by former Chief Stevenson and the Councillors involved in signing of the resolution. The legal review is now completed, no further comment can be provided by Council until a report can be prepared for review by the Members at a future Band meeting.

20. *Is the Surrender Claim settlement money paid into the same Trust as the Peguis TLE settlement?*

No. There is a separate Trust set up to administer the Surrender Claim settlement money. However, it may be possible to elect one set of Trustees to administer the funds in both Trusts. Council is reviewing this option with the Trust lawyer.

21. *How are Trustees elected and appointed for the new Trust? Are Members off reserve entitled to representation on the Trust committees?*

Under the Surrender Claim Trust, there are 2 sets of Trustees:

- Community Fund Trustees (5): Of the 5 Trustees elected, at least 4 must be Members of Peguis and 3 live on Reserve. So one Trustee may be a non-Member and depending on whether a non-Member is elected as a Trustee, 1 or 2 Trustees could live off Reserve.
- Financial Trustees (7): Of this group of 7 Trustees, two independent Trustees are appointed by Council. Out of the 7 Trustees, at least 5 must be Members of Peguis and 4 Trustees live on Reserve. The appointed Trustees need not be, but may be Members, one being a chartered accountant and the other a corporate trustee or other professional.

Although the two independent Trustees may be non-Members, they might also be Members living off Reserve, so depending on whether either of the 2 independent Trustees is a Member, up to 3 of these 7 Trustees could live off Reserve.

22. *Are Trustees paid for their work?*

Yes. However, Trustees are not paid a salary; they are volunteers who choose to seek election or appointment. Trustees are then provided compensation for wages lost, if any, reasonable travel and other expenses and a per diem/honorarium, all as approved by the Members at a Trust meeting. The Trustees do not set their own rates of honorarium or expenses to ensure they are reasonable rates. Trustees meet at least twice every 3 months, but more often as necessary depending on the workload.

23. *Are Trustees provided orientation and education to ensure they appreciate their Trust duties?*

Yes. In fact, each Trustee must agree to participate in Trustee orientation and education sessions. Orientation is provided to all new Trustees and annually for the Trust group by the Trust lawyer, a Trust professional and the Trust financial advisors.

24. *Are the Trustees accountable to the Members of Peguis?*

Yes. The Financial Trustees alone (not the Community Fund Trustees) hold legal title to the Trust assets, including all Trust funds. Each Trustee is personally liable for the due and proper administration of the Trust and must act in utmost good faith at all times. Each Trustee must take reasonable steps to ensure he or she is fully aware of the terms of the Trust agreement and duties related to its administration. Failure to discharge the duties of a Trustee in accordance with these high standards exposes the Trustee to personal legal liability.

In addition, the Trustees are accountable as a group to the Members at each annual general meeting of the Trust. They are obliged to table and review both activity and audit reports each year. Any Member of Peguis may request copies of Trust meeting minutes and other reports and the Trustees must provide this material under the Trust agreement.

**VOTE “YES” FOR THE FUTURE
OF PEGUIS ON JUNE 13, 2009!!!**