



THE MERRILL LYNCH OPPORTUNITIES

Background

On January 23rd the Tribal Planning department hosted an informative session on economic development. During this session, Mr. Bill Lomax of Merrill Lynch served as a presenter.

As a result of Mr. Lomax's growing business relationship with the tribe, he generously extended an invitation to the Tribal Council to meet with Merrill Lynch executives at their corporate headquarters in New York City. The purpose of the trip was to learn more about Tribal Financing and the Tribal Financial Education programs and services provided by Merrill Lynch.

The Delegation

The attending delegation was composed of Vice Chairman David Reede, Council Members Jonathan Kitcheyan, Martha Interpreter Baylish and Bernadette Goode. Other attendees included Tribal Legal Counsel Mr. Steve Titla and Kevin Parsi. Also in attendance were Ms. Cassandra Kipp, Tribal Planning Director and Ms. Beverly Russell, Chief of Staff and Senior Advisor to the Vice Chairman. The attendees were also accompanied by local royalty Miss Mt. Turnbull.



Tribal delegation at Merrill Lynch Headquarters with guests and meeting hosts.



Two Vice Chairmen: Mr. Paul Critchlow-Vice Chairman Public Markets of the Tribal and Local Governments division & Mr. David Reede, Vice-Chairman, San Carlos Apache Tribe.

Meeting Summary

The delegation was pleased to have had the opportunity to meet with Mr. Lomax, a Financial Advisor with the Investment Advisor and Financial Education Division, Mr. Paul Critchlow-Vice Chairman Public Markets of the Tribal and Local Governments Division, and Victoria Wright, Vice President of the Business Development. The topics of discussion included Merrill Lynch's Native American Banking and Financial Services, Investment Structure Models, Tribal Investment Management Services, and the Merrill Lynch Native Financial Education Initiative. The

meeting attendees were also able to visit the stock trading floors and received a brief overview of the process between investment and trading.

In summary, this meeting offered a view into the financial tools that have long been in practice by major companies that are now being customized to serve Indian country. These tools have the potential to offer tribes more flexibility to be creative in their financial transactions in regards to building new facilities and other high capital projects. These types of financial services could specifically be helpful to San Carlos as we work toward continued economic growth and consideration of major projects such as a long term care facility for the elders.



Vice Chairman Reede, Councilwoman Goode, Councilwoman Interpreter –Baylish and Tribal Attorney Steve Titla on the trading floor.

Merrill Lynch in Indian country


Merrill Lynch manages \$ 4.5 billion in assets for 50 tribes. And, in 2004, it established an Indian Business Development Unit. Among Merrill Lynch's private client group, more than 150 financial advisors have now been specially trained to meet the needs of the Native American market; roughly 20 percent of them are Native American.

Merrill Lynch works primarily with tribal governments and tribally owned enterprises like casinos, hotels, and construction and transportation companies. Tribal needs include assistance with retirement, 401(k) s, deferred compensation and setting up trust funds for tribal members.

A major theme for tribes entering into financial investment is diversification. Tribes are no longer relying on gaming and now find themselves at the helm of everything from restaurants to real estate firms.

Tribal Clients

One Merrill Lynch team branch that focuses on tribal investment is based in Wayzata, MN, about 10 miles west of Minneapolis. The Mille Lacs Band of Ojibwe began investing with a bank and Merrill Lynch stepped in to advise the tribe on how they could receive better rates of return. As a result, Merrill Lynch forged a relationship with the Mille Lacs Band of Ojibwe chief and subsequent chiefs.



In 1998, the tribe was building a casino and Merrill Lynch assisted the tribe with securing strong investment opportunities. Shortly thereafter, the tribe became interested in 401(k) plans. Now, Merrill Lynch manages them for the whole band. They've also set up funds for health insurance and pension plans for tribal members.

What Can Merrill Lynch Do for San Carlos?

Merrill Lynch can provide a wide range of financial services to San Carlos including:

- ◆ Building a customized portfolio to meet the tribe's needs.
- ◆ Assist the tribe with taking money out of trust with the Office of Special Trustee.
- ◆ Deliver culturally appropriate financial education programs for Tribal members.
- ◆ Provide investment education to the San Carlos Apache Tribe Investment Committee.
- ◆ Provide retirement plan services.
- ◆ Do an evaluation of tribal cash flows to locate idle cash and potentially increase returns.
- ◆ Provide financing options including bond financing and equipment financing.



Recommendations Resulting from the Merrill Lynch Meeting

With respect to the topics and information discussed with Merrill Lynch, the attendees of this meeting put forth the following recommendations for consideration:

- ◆ The Tribe must develop specific investment goals (i.e. foundation endowments, stock investments, etc.).
- ◆ Send out a Request for Proposal (RFP) for official investment presentations in addition to developing a "score sheet" to determine who will do the best job based upon the Tribe's investment goals.
- ◆ Plan a full day of RFP and investment goal presentations.
- ◆ There is a need to hire an administrator for investment only.
- ◆ Set a timeline indicating when the Tribe is expected to have investment goals accomplished and set up evaluation processes.

Other Trip Highlights

After a full day of valuable information, the delegation took some time to visit with a few enrolled tribal members living and working in the New York City area. The group had the pleasure of meeting Mr. Curtis Harris and his son Zachary Harris of the Gilson Wash District. Mr. Harris resides in Northern New Jersey and works as the Director of the Center for Continuing Education for the University of Medicine and Dentistry of New Jersey. Curtis also is a board member of New York City's American Indian Community House (AICH). Attendees also met Mr. Sonny Martin Grant of the Seven Mile Wash District who is attending graduate school in New York City studying film.



Vice Chairman David Reede with Tribal Members Curtis Harris and Zach Harris who reside in New Jersey.



Councilwoman Goode, Rosemary Richmond-AICH Executive Director and Vice Chairman Reede at the American Indian Community House in NYC.

The day ended with a visit to AICH in New York City. AICH is a 501(c)(3) not-for-profit organization serving the health, social service, and cultural needs of Native Americans residing in New York City. AICH provides services to an estimated 27,000 Native Americans living in New York City. AICH membership is currently composed of Native Americans from 72 different tribes including the San Carlos Apache Tribe. AICH Executive Director, Ms. Rosemary Richmond offered us a tour of the facility and shared some of the issues faced by tribal members living away from their home lands, especially the urban Indian youth. After some dialogue, there was a brief discussion relating to the possibility of exploring a short term exchange program that would offer San

Carlos High School age youth the chance to visit a city to gain valuable exposure to the many career opportunities available.