

NOTES TO THE NATION: SEPTEMBER 2, 2011

THE SETTLEMENT AND SOME THINGS TO CONSIDER

If you are a headright holder you have probably received a packet from the Minerals Council that was mailed in an envelope from the law firm of Akin and Gump. It details the terms of a proposed settlement. At this point it seems that there is overwhelming support to accept the offer of \$380,000,000 to settle the Trust case.

First, let me say that the decision on whether or not to settle with the U. S. government is not the decision of the Osage Congress: It is strictly up to the shareholders. When they decide, the only involvement of the Congress will be to pass a resolution to accept the decision of the Minerals Council representing the shareholders and the decision of the shareholders could be yes or no.

My own personal opinion is that based on what we know, the amount of the settlement is not likely to increase with continued litigation. Also, consider that I also believed there were weapons of mass destruction in Iraq and that was based on what I was told by the U. S. government. Nevertheless, I will be voting, as an individual shareholder, to settle.

There are some things that some people may want to consider even before we know the outcome of the canvassing leading to the final decision.

I am talking here mainly about the Trust Case most often referred to as the highest posted price case, but some of these things could also apply to the Cobell settlement. and I am talking only about Osages.

A person with a full headright will receive about \$155,000. On the average, and this will vary with the circumstances of the individual, if this money is taxed by the state in which you reside and the federal government the taxes could be around 30% or roughly \$45,000. Most, if not all, Osages around here know that the money does not need to be taxed and have taken the steps necessary to avoid it being taxed if it is necessary to take those steps in their individual situation. Before sometime in 1978, certificates of competency were issued to some Osages and that would make their headright income taxable, so if they were an annuitant they would have the certificate of competency revoked so the income would not be taxed. If you were already age 21 at the right date in 1978 you didn't have to revoke the certificate because they had stopped issuing them automatically. If you have any question about your situation you need to call Margaret Rouwalk at 1-918-287-5751 or 287-5751 and find out for yourself. It's a lot of your Osage money at stake. If you were to find you need to revoke your certificate, it now is taking 30 to 40 days and the cutoff date to have it completed is around November 15 this year.

Another thing you might want to think about is that your money can be left with the Office of Special trustee and draw about 4 % interest at current rates. There are a lot of options in how that can be handled. It can stay in a lump sum for distribution at anytime you need all or part of it, it can be paid out in installments as you wish or it can stay indefinitely and draw interest. If you are now receiving a quarterly check this can be changed simply by calling the Office of the Special Trustee 1-888-678-6836. The important thing to be aware of is that once you receive the money you can't put it back in

trust, so if the current rate looks worth it you may want to make a change in the way you receive your payment, especially since it is likely much larger than your former payment.

Be aware that the BIA is not there to give tax advice other than the headright considerations I have mentioned. Also the Office of Special Trustee is not authorized to discuss the Highest Posted Price Settlement, but they can give you the number to call if you have questions about the Cobell settlement.

Please don't let anything I have said confuse you and remember I am not the authority on any of this. I'm just trying to let you know about some things that are not being covered in anything I have received in the mail and I am thinking you are getting the same mail.

Kugee