

## TRIBAL ASSETS MANAGEMENT

### TELECOMMUNICATIONS COVER SHEET

TO: ROGER RITTER

FACSIMILE NO.: 796-5256

FROM: KATHY PECK

TELEPHONE NO.: 207/772-1765

FAX NO.: 207/773-8832

SEND DATE: 10/20

SEND TIME: 11:55 A.M.  
P.M.

NO. OF PAGES TO FOLLOW: 3

SPECIAL INSTRUCTIONS OR INFORMATION:

Our machine is a Rapicom 210. If there are any problems,  
please call (207) 772-1765 and ask for RUTH.

*Due Diligence -*

*Request for information*

<u>SCHEDULE NUMBER</u>	<u>DESCRIPTION</u>	<u>REC'D</u>	<u>REV'D</u>
14.	Goodwill schedule		
15.	Deposits schedule		
16.	Investments in subsidiaries schedule, include number of shares		
17.	Inventory schedule for each division for the last three years		
18.	Accounts payable schedule for each division (with aging and usual credit terms) for last three years		
19.	Accrued expenses schedule for each division for last three years		
20.	Debt agreements, including principal amortization and interest payment schedule, for all debt facilities		
21.	Management compensation schedule for the last three years		
22.	Chart of accounts		
23.	List of banks and bank contacts		
24.	List of creditors		

#### B. OTHER INFORMATION

1. Appraisals for fixed assets (if available)
2. Fifteen largest customers for each division  
(name of contact, address, phone number,  
dollar volume, nature of relationship) for  
1987, 1986, and 1985
3. Fifteen largest suppliers for each division  
(name of contact, address, phone number,  
dollar volume, nature of relationship) for  
1987, 1986 and 1985
4. Resumes and personnel files for key managers
5. Current price list and/or average selling  
price for selected products (see JAK) for  
1987, 1986, 1985, 1984, and 1983
6. Organization chart for Strong Group, Inc.  
and each division

<u>SCHEDULE NUMBER</u>	<u>DESCRIPTION</u>	<u>REC'D</u>	<u>REV'D</u>
7.	Press releases and news clippings for last three years (if any)		
8.	List of directors and their affiliations		
9.	Number of employees, for each division, in production, sales, administration, etc.		
10.	Hours worked per week, wage rates, and benefits for each type of position		
11.	Benefit Plan		

7169M

# Indian Township Tribal Government



Box 301, Princeton, Maine 04668, Tel. (207) 796-2301

**Council Members**  
Albert Dana  
Basil LaCoote  
Darrell Newell  
Darryl Nicholas  
Phyllis Saunders  
Simon Sockabasin

## PUBLIC HEARING NOTICE

INDIAN TOWNSHIP RESERVATION WILL HOLD TWO PUBLIC HEARINGS ON Tuesday 28 September 1987, at 7:00 PM and 7:30 PM, at the Indian Township Tribal Administration Office.

To discuss the reservations application for a Urban Development Action Grant from the United States Department of Housing and Urban Development.

The Indian Townships Reservation Grants request for will be for approximately \$400,000.00, which will be lent to private business as financing in part for the establishment of a manufacturing business on the Indian Township Reservation.

The first hearing will begin at 7:00 PM and will serve to discuss the purpose and goals of the purposed U.D.A.G..

The second meeting will be at 7:30 PM and will serve as an opportunity for low and moderate income people to comment on the project.

The Tribe will consider comments of all Tribal members.

Comments can be submitted to the Tribal Office or expressed at the public hearing, for more information contact Bruce Francis by calling 796-5100.

Posted  
9/24/87  
(BAF)

## SECTION B - PROJECT DESCRIPTION

### 1. Brief Project Description

The Passamaquoddy Tribe, a federally recognized American Indian Tribe, is proposing to buy a controlling interest in Strong Group Inc. (the "Company") a manufacturer and marketer of specialty leather and related products, and to immediately open a new manufacturing facility for leather products on the Passamaquoddy Indian Reservation at Indian Township, Maine. Strong Group was founded in 1932 and purchased in 1972 by the present management. The company is located in Gloucester, Massachusetts and employs approximately 120 people. Strong Group currently has annual sales of approximately \$5,000,000 and an annualized cash flow of \$350,000. Strong Group manufactures, through its Holster Division, leather holsters, belts and accessories for the sporting goods, law enforcement and military markets. Through its flat leather division, Strong Group manufactures and custom prints or embosses high quality flat leather goods ranging from key chains and credit card holders to portfolios and briefcases. Through its ad specialty division, Strong Group markets promotional items ranging from note pads to tee shirts to embossed leather goods (including those of its own manufacture) to gold pen and pencil sets for businesses to use for gifts and advertising purposes. The Company has a well established reputation and marketing presence in its business sections. Further information on the Strong Group's management and historical performance is in Exhibit A. Buying into an established entity such as this with experienced management, the Passamaquoddy Tribe will avoid the inherent risks in starting up a new business.

Strong Group has been unable to meet the increased demand in each of its product lines in recent years because of a lack of capital and the inability to hire additional workers at its present facility in northeastern Massachusetts, where unemployment is among the lowest in the nation. The Passamaquoddy Tribe will ease the liquidity pressures with its equity infusion into the Strong Group. To overcome the employment problems, the majority of the operations of the holster division will be transferred to the new facility at Indian Township. This change will not result in any displacement of workers at the existing facility in Gloucester. The employees of the holster division will be transferred to the flat leather division, where the Company is in need of additional labor. As a result of the labor shortage in Gloucester, it is anticipated that most of the future growth will take place through further expansion of the new Indian Township facility.

In each of Strong Group's major markets, there is potential benefit to being a minority owned and managed enterprise. For example, the Federal Government, through various agencies and the armed services, is the largest consumer of holsters and accessories in the U. S. The Federal Government has purchasing programs aimed specifically at minority owned companies in the ad specialty industry, large corporations are among the largest customers for promotional items, and many of these corporations have affirmative action-related purchasing goals.

In order to benefit from the minority-owned status, the Passamaquoddy Tribe will purchase a majority ownership position in Strong Group in a simultaneous two step transaction. First, the Tribe will purchase 13.3% of the existing stock from the current owners for \$200,000 then the Company will issue and the Tribe will buy for \$1,150,000 sufficient stock to raise the Passamaquoddy Tribe's total ownership state to 51%. Most likely, the surviving entity will be converted to a partnership.

Under the above scenario, the Passamaquoddy's investment in Strong Group would be \$1,350,000. It is anticipated that this investment will be funded by a Bureau of Indian Affairs grant to the Tribe for \$250,000 and \$1,100,000 from Tribal funds. Of the total \$1,350,000, \$200,000 will have been paid to stockholders, and the balance will be retained as fresh equity in Strong Group, a portion of which would be used to pay down debt, and a portion which would eventually support the working capital needs (\$500,000) of the proposed new facility at Indian Township. The new plant at Indian Township will be operated as a division of Strong Group of which the Passamaquoddy Tribe will be the majority owner. In addition to the capital infusion into the Strong Group, the Tribe will contribute \$138,081 towards the cost of constructing a new facility at Indian Township. Therefore, the Tribe's total investment will be \$1,288,081.

Initial estimates of the costs of the construction and starting up of the new operation at Indian Township are as follows:

Construction of new building with 15,000 sq. ft. of manufacturing and 3,000 sq. ft. of office space	\$620,203
Site preparation	\$100,000
Manufacturing equipment	\$250,000
Computer-Interlink equipment	\$ 50,000
Working capital	<u>\$500,000</u>
	\$1,520,203

The land and building will be owned by the Passamaquoddy Tribe and leased on a long term basis to the Strong Group. Anticipated financing sources are as follows:

Senior bank debt secured by the building and equipment	\$582,122
Bureau of Indian Affairs Grant for purchase of inventory and working capital	\$ 250,000
UDAG loan	\$ 300,000
Capital from Strong Group	\$ 250,000
Capital from Tribe	<u>\$ 138,081</u>
	\$1,520,203

A firm commitment from a bank has not been received yet, but a request has been made and interest from the bank expressed for a loan based on 60% of the cost of the facility and 50% of the cost of the equipment. The UDAG loan would be based on a ten year term with interest only at 8% for the first five years and complete amortization of principal in years six through ten.

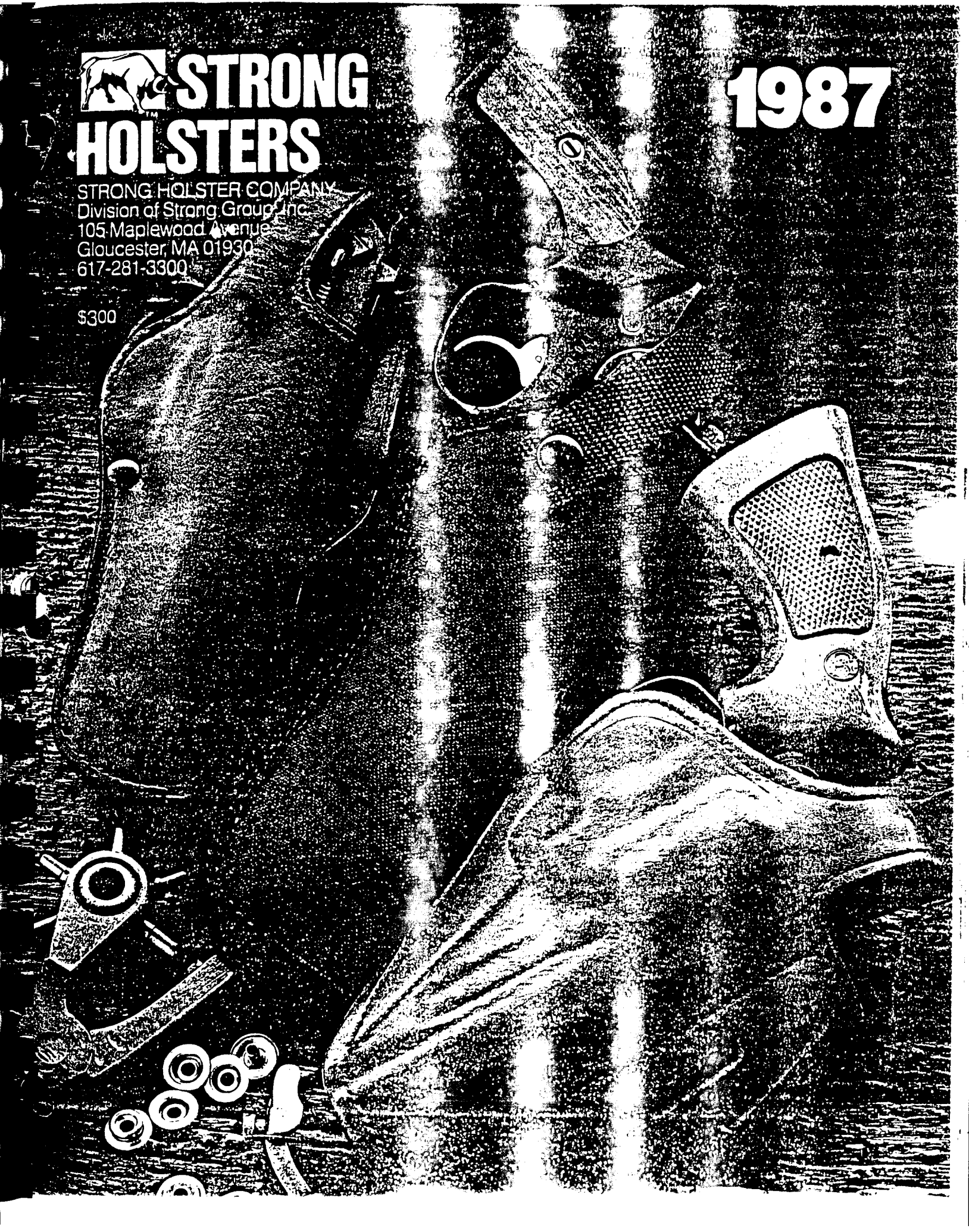


# STRONG HOLSTERS

STRONG HOLSTER COMPANY  
Division of Strong Group, Inc.  
105 Maplewood Avenue  
Gloucester, MA 01930  
617-281-3300

# 1987

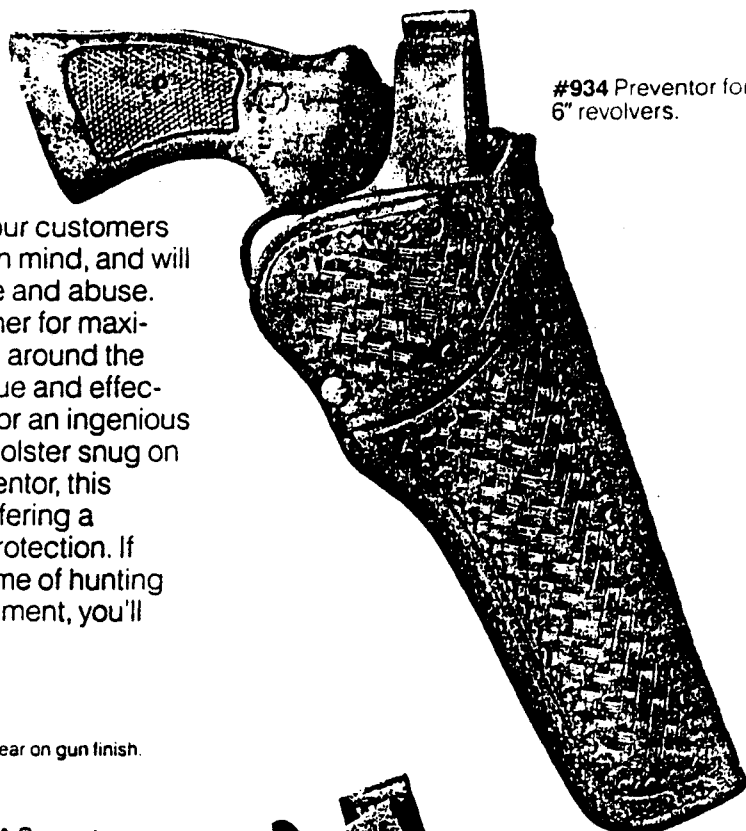
\$300



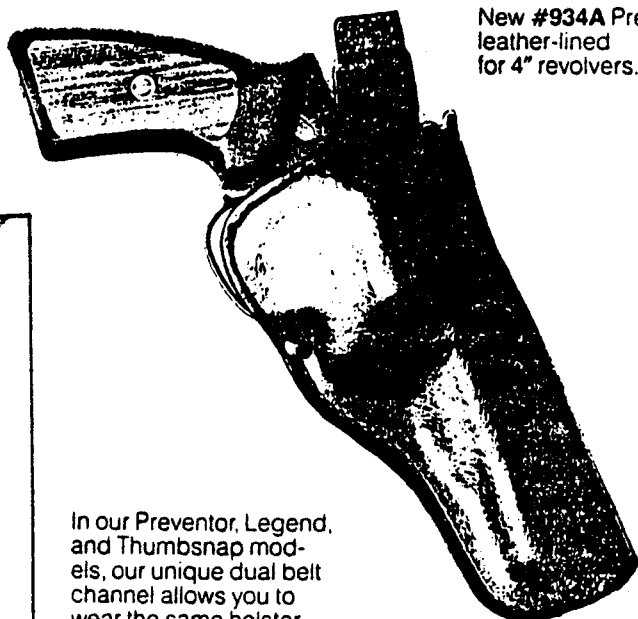
# Preventor<sup>T.M.</sup> holster #934

The Original Preventor is a lot more holster than most of our customers need. This high-ride holster is built with worst-case duty in mind, and will easily shrug off the knocks and stresses of hard daily use and abuse. The trigger guard is shrouded with a double layer of leather for maximum safety and security. The outer layer of leather wraps around the holster and performs two functions: first, it creates a unique and effective recessed sight protector; second, it forms the basis for an ingenious and exclusive low-bulk, dual-belt system that keeps the holster snug on either a 2 1/4" or 1 3/4" belt. On our New Model #934A Preventor, this leather shroud is extended the full length of the holster, offering a smoother appearance and the ultimate in strength and protection. If you're looking for a holster that could serve you for a lifetime of hunting seasons or all the way from the academy through to retirement, you'll find none better than the Preventor.

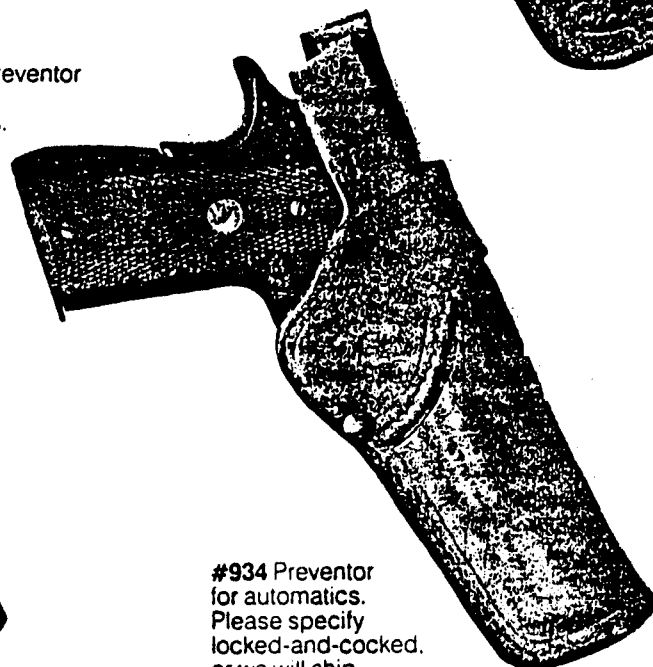
Metal-reinforced no-rip double welt won't split or separate.  
Dual belt system for both 2 1/4" and 1 3/4" belts.  
Unique rear sight protector for revolvers.  
Covered trigger guard for added safety.  
Easy access metal-reinforced thumb break design, with recessed snap to prevent wear on gun finish.  
Fits most medium- and large-frame revolvers and automatics.



#934 Preventor for 6" revolvers.



New #934A Preventor leather-lined for 4" revolvers.



#934 Preventor for automatics. Please specify locked-and-cocked, or we will ship hammer-down style.




In our Preventor, Legend, and Thumbsnap models, our unique dual belt channel allows you to wear the same holster securely on either a 1 3/4" or 2 1/4" belt.

Automatics	Barrel Length	Model 917	934	934A
AMT				
Hardballer 45		-	45	-
Back Up		00	-	-
ASTRA				
Constable		0	-	-
BERETTA				
81, 84, 85, 87		0	-	-
92, 925B, 92F		-	-	92
20, 21		00	-	-
950		00	-	-
70, 71		0	-	-
BROWNING				
Hi-Power		-	67	-
Browning 380		0	-	-
Browning 25		00	-	-

Automatics	Barrel Length	Model 917	934	934A
COLT				
Combat Commander		-	44	-
Government, Delta Elite		-	45	-
Government 380		0	-	-
Mustang, Pocket Lite		0	-	-
DETONICS				
Pocket 9 & 380, Power 9	3"	0	-	-
IVER JOHNSON				
TP, 22, Pony		00	-	-
JENNINGS		00	-	-
LLAMA				
45 Auto		-	45	-
22, 380, A3		0	-	-

Automatics	Barrel Length	Model 917	934	934A
MAUSER				
HSC 380		0	-	-
SEECAMP				
25 & 32		00	-	-
SIG-SAUER				
P220, P226		-	-	97
P225		-	-	97
P230		0	-	-
SMITH & WESSON				
39, 59, 439, 459, 639, 659		-	21	21
TAURUS				
PT92, PT99		-	-	92
WALTHER				
PP, PPK, PPKS		0	-	-
TPH		0	-	-

## WORLD CLASS QUALITY

 verused, often misused, and increasingly abused, the very concept of "quality" itself has become a cliché in American industry today.

So, it's difficult — if not impossible — for those American companies which really do offer world class quality to convey the message to those companies which wish to purchase it.

We have to prove it!

We have to build confidence part after part, model after model, year after year.

Then, maybe, the fact that we truly do offer some of the very best products available anywhere today will be heard above the clichés.

# INTRODUCTION

## FORMED-FIBRE PRODUCTS

Formed-Fibre Products is one of the American companies which has made the commitment and the investment to produce only the best.

Our strongest customer relationships have developed with other companies which share our ideals and direction: to compete successfully in today's unforgiving world markets.

So, our customers are unforgiving. They expect world class quality in each and every part we supply. They demand it — from concept to finished product. And rightfully so. That's our business.

At , we demand no less from our employees, our suppliers, our plant and equipment, our processes, and our final product.

And, as a wholly owned subsidiary of the Corporation, we have all of the resources we need to satisfy the most demanding customers.

The Corporation employs over 12,000 people internationally. Its products are distributed in nearly 130 countries. Annual sales exceed \$1 billion.

This provides more than the assurance of capital strength in the long term. It provides access to international markets and to information processes like our CAD system in Denver, CO.

Other subsidiaries include Energy Products, Jet Electronics and Technology,

, and, of course, The Rubber Company.

## BEFORE

technology emerged in response to the international competitive pressures that caused a re-appraisal of American industry.

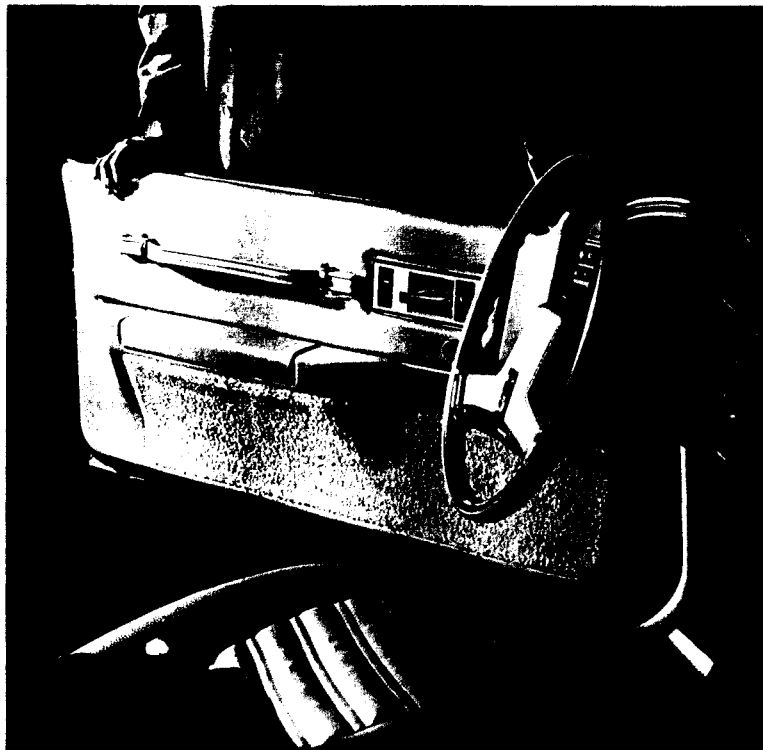
Existing materials, accepted standards, and established suppliers had to be upgraded — or quickly replaced — in order to successfully compete. Solutions to industry's new problems required original ideas and drastically improved product.

One of these solutions was molded products — innovative and immediately applicable to a wide variety of existing situations. The

advantages of these patented products (nonwoven blends of thermoplastic fibers formulated for differential thermal response characteristics of the fibers within the structure) clearly set them well above the competition.

molded products are lighter in weight than the materials and methods they made obsolete. They have inherent structural integrity and can be designed with varying degrees of rigidity.

These properties allowed our engineers to develop products which precisely match contours — even approaching 1.6:1 deep draw situations — and to maximize useable interior volumes without sacrificing aesthetics or durability. In fact,



technology enhances the finished appearance of the Oldsmobile Calais door panel by eliminating sewn edges on tufted carpet.