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# Sale of GWU sugar unit hits snag

By MORTON L. MARGOLIN

Rocky Mountain News Business Editor

Great Western United Corp. Friday said there is no present basis for selling Great Western Sugar Co. to the beet growers who have organized a co-operative to buy the business, because, Great Western United said, they lack the financing. The growers, in turn, charge bad faith.

The Denver-based conglomerate, which owns Great Western Cities and Shakey's Pizza in addition to the sugar company, left the door open for future talks, but said there would have to be at least \$100 million cash to lay on the table if the talks are to have any meaning.

Grower representatives greeted the announcement with what they termed "great dismay and consternation."

In effect, they charged Great Western United had backed down on the deal after the growers had "invested thousands of dollars and thousands of hours" putting together the kind of deal Great Western United had indicated it would accept.

Robert Y. Sakata of Brighton, chairman of the board of the Great Western Producers Co-operative, said negotiations had reached the point of signing a letter of intent, spelling out the deal. He claimed the growers had the financing they understood they needed, and now Great Western United has changed its mind.

Sakata detailed the organization of the co-operative, which he said was undertaken only after assurances were given that Great Western United wanted to sell the sugar subsidiary. He said growers representing 80 per cent of the company's sugar beet acreage have joined the co-operative.

"Obviously raising over \$100 million takes some time," Sakata said. "But progress has been encouraging. During mid-December, the directors of the beet grower co-operative believed a viable financing proposal had been put together."

Sakata said the co-operative asked for a conference between the president of Great Western United and the co-operative's fiscal advisor.

Instead, Sakata said, the conference was with the company treasurer, who turned in a negative report. A January meeting was held at which the co-op agreed to sign a letter of intent accompanied by letters of commitment from financial houses willing to help raise the money.

Thursday, Sakata said, the financing was assured, but Great Western United did not wait, issuing its deal is off statement, instead.

Sakata said the effort to complete the purchase will be continued.



Margolin