GWU plans April California move

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Then stockholder dissatisfaction hit when hard times threatened to envelop the firm. Profits for the sugar company were down, government agencies began hitting at the sales practice of the Cities operation and, as a result, White was ousted.

He was followed as president by Robert K. Everett. To Everett fell the lengthy process of attempting to re-capitalization of the firm and negotiate a sale offer from the growers of the sugar company. The sale, which was negotiated for years, fell through last year when sugar profits took a drastic jump and shareholders of GWU turned the offer down. The growers co-op has a suit pending as a result.

Several months later, the company was purchased by the Hunt brothers of Dallas, sons of H.L. Hunt. Since that time there has been speculation that the firm would move to Dallas, but the reports this week make it clear the move will be to California. A spokesman for the firm termed it a desire to "centralize."

The Journal learned of the Great Western Cities, Colorado City Development migration while inquiring about a $1,740,685 lawsuit against the corporations by Centerline, Inc. The suit involves Centerline's allegations that Colorado City Development, which it believes to be one and the same with Great Western Cities, breached a contract that called for Centerline to receive equity credits for selling houses it would build at a lower price. Under the equity credit arrangement, designed by Colorado City Development to stimulate the sale of houses in the area, Centerline and the purchaser would receive payment from Colorado City Development in the form of a rebate. Centerline claims that it has not received the $72,500 allegedly due and that as a result of the breach of contract it was caused $887,140 in profit loss, $276,005 in reputation damage and diminished stock value, and $5,140 for furnishing model homes it no longer needs.

According to C.E. Julian, president of Centerline, "their personnel has changed an awful lot since this contract went into effect," and that "present personnel doesn't know what it (the contract) is all about."