DENVER, COLO.—(DR)—The board of directors of Great Western United Corporation (GWU) announced a modification in the terms of its plan of recapitalization to be implemented if the sale of its subsidiary, The Great Western Sugar Company, to the Great Western Producers Co-operative is consummated.

The board indicated the corporation would ask stockholders to amend the certificate of incorporation to permit a 100 per cent redemption of its two classes of preferred stock after the sale of Great Western Sugar, instead of making the previously announced tender offer conditioned upon acceptance by 70 per cent of the preferred stock before the sale. With the required votes (two-thirds of the affected preferred stock and a majority of all voting stock) the corporation will have the right to cancel dividend arrearages and redeem each preferred class in its entirety.

The proposed per share redemption price for the $1.88 cumulative preferred stock will be $13 principal amount of the co-operative's ten per cent subordinated sinking fund debentures due 1993, plus $10 in cash. The new $1.88 stock redemption proposal reflects an increase of the cash portion from $8 to $10 and a related reduction of the amount of debentures from $15 to $13. The change was deemed appropriate in view of the anticipated cash available to the corporation from the sugar company attributable to record refined sugar prices in recent months.

Each share of the $3 convertible preferred stock would be redeemed for $13.52 principal amount of the corporation's newly issued ten per cent collateral trust bonds due 1984, $13.10 principal amount of the co-operative's eight per cent cumulative income subordinated capital notes due 1993-2002, plus $10.88 in cash. If the redemption is not completed by Oct. 31, 1974, the cash portion would be increased by 47 cents for the $1.88 stock and 75 cents for the $3 stock, and by an additional such amount quarterly thereafter.

The corporation's stockholders and debentureholders will be asked to vote on the proposals at special meetings presently anticipated to be held in September of 1974. The board affirmed its intent to spin off Shakey's Incorporated following the redemption of both the $1.88 and the $3 stock.

Robert G. Everett, president and chief executive officer of GWU, reiterated that significant conditions have to be satisfied in order to close the sale by Oct. 1, 1974, including the vote of security holders and the satisfaction of terms outlined in the purchase agreement executed on March 22, 1974.