Great Western United Offers to Purchase Convertible Preferred

A WALL STREET JOURNAL News Roundup

Great Western United Corp. announced an offer to buy all its outstanding $3 convertible serial preferred stock for $21.50 a share.

In Denver, the beet-sugar and real estate concern said the offer, which began yesterday, will expire May 16 and is being mailed to holders. There are about 591,000 shares of the preferred currently outstanding. If all the outstanding preferred shares are tendered, the offer would be valued at $12.7 million.

The shares are convertible at any time into Great Western common at a rate of two common shares for each three preferred. They were issued in April 1969 in connection with Great Western's acquisition of California City Development Co.

In New York Stock Exchange trading yesterday, Great Western common closed at $28.875.

Washington Post Co. said directors authorized the purchase of up to 300,000 shares of its Class B common stock, primarily through block purchases.

The publishing and communications company said in Washington that there isn't any time limit on such purchases. There are currently nearly four million Class B shares outstanding.

Based on the Class B's closing price yesterday on the American Stock Exchange of $23.50, the purchases would be valued at about $7.7 million.

In Chicago, American Bakeries Co. said its December 1974 purchase of 173,200 shares of its common from an unidentified mutual fund might have violated the Federal Investment Company Act of 1940 and thus might result in the transaction being rescinded.

The company, which was alerted to the possible violation by counsel from the fund, made the purchase at $3 a share. The possible violation involves the act's prohibition against an affiliated person of the fund knowingly purchasing securities from the fund. In the opinion of the fund's counsel, American Bakeries might be considered an affiliated person because the fund owned more than 5% of the company's stock.

American Bakeries said that its and the fund's counsel are studying the matter. The fund has been told by its counsel that it has the right to rescind the sale, but such a rescission hasn't yet been sought. If a rescission is effected, the shares would be returned to the fund and the purchase price returned to American Bakeries.

An American Bakeries official said the company will fight any rescission because the stock has risen in price since the purchase and that the violation, if any, was "inadvertent."

In Big Board trading yesterday, American Bakeries common closed at $8.