Insiders Disclose

Everett Was Axed

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Robert G. Everett was fired as president of Great Western United Corp. two weeks ago, contrary to what the Denver company reported at the time.

It is known now that Everett was ousted at a special meeting of GWU’s board of directors Nov. 7 in New York. The same day, brothers Herbert and Bunker Hunt of Dallas, Tex., announced their intention to take over the Denver company by acquiring more than half of its common stock.

A GWU press release issued Nov. 7 said that Everett had resigned as president and that R.J. Adelman, a GWU director from Chicago, had been named acting chief executive. GWU’s board is expected to meet later this week to name a new president, and some observers of the company think the choice will be Parker Montgomery, a GWU director from New York.

There were reports in September that Everett had lost some of his support among GWU directors and that the majority of the board wanted him sacked. This was during the period that the board turned against the proposed sale of Great Western Sugar Co., GWU’s main subsidiary, to a beet growers’ organization.

Everett had advocated the sale, which was part of a recapitalization plan he’d put together when GWU was in financial distress—before soaring sugar prices remedied the situation.

GWU shareholders voted down the sale at their annual meeting Sept. 30 in New York. Shortly thereafter, the Hunt brothers began buying blocks of GWU common stock on the open market. Within a month they and their associates had acquired 441,400 shares at a total cost of about $9 million, and on Nov. 7 the Hunts said they would make a tender offer for 910,000 additional shares.

Of the 441,400 shares acquired by the Hunts prior to Nov. 7, 100,000 were purchased from former and current associates, including GWU director George Sarkesian of Binghamton, N.Y., on Nov. 6. The Hunters also acquired options to purchase 100,000 shares from the Everett group, which had purchased its GWU stock in 1973, some of it from former GWU chairman and president William White at a much lower price than the Hunts are paying.

A clue that Everett was on his way out appeared Oct. 10 when GWU said its board had set up an “executive committee” consisting of Everett, GWU chairman James Kreitler and director Mel Roberts. Subsequent GWU press releases identified Everett as “president” and not “president and chief executive officer” as in the past.

And on Oct. 15 Everett wrote a confidential memo to personnel at Great Western Cities, Inc., a GWU subsidiary, stating in part that “it is anticipated that I will reduce my involvement in the management of Cities over the next few weeks.” Everett had been serving as president of the subsidiary. His memo was leaked to the press.