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UPI Receives at Least 4 Bids for Company

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At least four potential bidders for United Press International, including the wire service's employee union, met yesterday's deadline for submitting expressions of interest to UPI.

The Wire Service Guild, an Indiana publisher, a Houston developer and a former CIA official were identified as expressing an interest in buying the wire service, which has operated since April under protection of the federal bankruptcy code. None of the potential buyers specified the amount or terms of any possible offers.

UPI Chairman Luis Nogales said yesterday that he was encouraged by the "numerous expressions of interest" received from "various parties," but would not identify them.

However, the wire service reported the names of three interested parties: Buert SerVaas, chairman of Curtis Publishing Co. in Indianapolis; Joe E. Russo, chairman of The Russo Cos., a real estate development concern based in

Houston; and Max Hugel, the CIA's former chief of covert operations. The Wire Service Guild also stepped forward to announce its own bid.

Midnight last night was the formal deadline for potential buyers to submit "expressions of interest" identifying themselves and their qualifications for operating the 78-year-old wire service. However, UPI spokesman William Adler said the cutoff date was "not set in stone" and that other bids may come in this week.

UPI sent out about 30 prospectuses, or reports detailing the company's financial condition and competitive strategy, to potential bidders, Adler said.

A "substantial number" of those parties have followed up with formal expressions of interest, he said. Adler said more than the four bidders who were identified had made submissions.

UPI's investment advisers, working with an investment adviser selected by the union, will review the latest responses and meet with potential buyers to answer questions and assist them in preparing "definitive bids," which will be due in early October, said UPI spokesman David Wickenden.

Bear, Stearns & Co., representing UPI management, is working with Ladenburg Thalmann & Co., selected by UPI stockholders, as

UPI's joint investment adviser. The Wire Service Guild's investment adviser is Brian Freeman, who successfully represented Trans World Airlines unions in their fight against Texas Air Corp.'s bid for TWA.

The Guild, representing 750 UPI employees, said it submitted a bid to buy UPI on behalf of the company's union members.

The union, an affiliate of The Newspaper Guild, would not disclose the proposal's terms.

The union's proposal would involve a purchase of UPI "either by the employees alone or in a joint venture with one or more purchasers," according to a statement released yesterday.

"The proposal reflects the continuing commitment of the guild

employees, demonstrated by their many past sacrifices, to a strong, dependable, efficient and viable organization and system," the union said.

Last year the union accepted contract concessions including a 25 percent pay cut, which has been partly restored, but it has resisted further concessions requested by management.

Freeman has argued that voluntary wage cuts are capital contributions to a company, which endow the union with certain equity rights.

SerVaas said that he is a member of a previously unidentified investor group, represented by Washington attorney David M. Rubenstein, that submitted a bid July 1. The group's offer, valued at between \$13.9 million and \$17.9 million, received no formal response and was allowed to expire July 15.

SerVaas said the group has submitted a new expression of interest, but has not proposed a specific purchase price this time. He would not identify other members of the investor group.

With his wife, Cory SerVaas, SerVaas bought and revived the Saturday Evening Post in 1971. He said he would invest in UPI as an individual, not on behalf of Curtis Publishing.

He said he wants UPI to continue as a "full-service agency" but that it need not be a "mirror image" of the Associated Press wire service. He said UPI might differentiate itself by developing "specialties" and providing more analysis of trends, but he would not disclose details of the group's business plan.

SerVaas said he would be willing to discuss the possibility of giving labor an equity stake in the company but has not held any such discussions with the union.

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Russo, whose companies manage a financial empire valued at about \$1 billion, is "extremely serious" about acquiring UPI, said Russell Rau, director of governmental affairs for The Russo Cos.

The companies develop office and commercial space and operate the Ameriway financial services network, which includes two banks, a savings and loan, a mortgage company and a venture capital group.

Russo is assembling a group of investors that includes individuals with news experience, Rau said, refusing to identify them.

Eugene Keilin, an investment banker with the New York firm of Lazard Freres who worked with Freeman representing TWA's unions, has been retained to represent Russo's group, Rau said.

Hugel, the former assistant CIA director-turned-New Hampshire businessman, said recently he also planned to submit an offer, UPI reported.

Hugel, chairman of Maxcell Telecom Plus, a cellular telephone company, and of Max Hugel Enterprises, said his group planned to provide \$5 million to \$10 million in operating funds and improve UPI's marketing, but declined to specify the total amount of his possible offer.