

Firm to Train Arab Troops

Mideast Buyer for Vinnell Corp.

Allampra
 Vinnell Corp., which is getting \$77 million to train Saudi Arabian troops, plans to sell voting control in the firm for about \$500,000 — and one of the buyers is a Middle East businessman in Beirut.

Severe cash problems and multimillion-dollar losses on U.S. construction projects are cited as reasons for the reorganization.

The plans were disclosed in documents filed last month with a California state agency by Vinnell, a privately held international construction firm.

Vinnell has been the center of a national political controversy since the Pen-

tagon contract for the Saudi operation was revealed by the Associated Press.

The disclosure in the state file provided the first public mention of heavy losses by the company, which has reported doing more than \$200 million worth of business in Vietnam on cost-plus U.S. military contracts.

Vinnell management and several outside investors were listed in the state records as the ten proposed purchasers of two-thirds of the corporation's common stock. Most are in Vinnell management.

Of the \$500,000 price for new stock, however, \$125,000 was listed for investment by Ghassan I. Shaker of Beirut,

Lebanon, "president of Banque de Liban et d'Outre-Mer."

Asked about his involvement, a Vinnell spokesman said yesterday that Shaker is a Lebanese businessman who expressed an interest about a year ago in investing in the company.

"He was sent a prospectus on the reorganization," the spokesman said, "but as of now no money has been invested." The reorganization is to be completed by the end of March.

At present, the state file revealed, 85 per cent of Vinnell's common stock is held by the nonprofit Charter Oak Foundation of Covina, operator of a psychiatric

hospital.

With the new stock and a 1-to-3 reverse stock split, the foundation's ownership share will drop to 28 per cent.

An attorney for the foundation said it was given the stock last December 31 by the Vinnell Foundation, a private foundation created by the corporation's founder, Allen S. Vinnell, of San Marino, who died in August, 1969.

The stock went into the Vinnell Foundation earlier in December when Vinnell's estate was distributed, the attorney said.

Pauline Vinnell, widow of the founder, will invest \$1 million cash in a new pre-

ferred stock under terms of the proposed recapitalization. The stock does not have voting rights, her attorney said.

In addition to Shaker, the other largest proposed investors in the common stock were listed as Fritz Hutcheson of Pasadena, president of Great Western Lumber Co., \$150,000, and John A. McCrane, a partner in Robert B. Anderson and Co. of New York, 125,000.

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