

ATF put on auction block

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Judge's rejection of buyout offers spells end for historic firm

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Staff Reporter

When the doors closed for vacation at the ATF-Davidson Co. Inc. in Northbridge last June, they were immediately shut on an era. Speculation that the historic printing press manufacturer, a company that can trace its ancestry back to Benjamin Franklin, might someday reopen ended yesterday when U.S. Bankruptcy Court Judge Charles Queenan Jr.'s rejection of offers to buy the company. Those offers might have allowed the plant to reopen. Instead, Queenan gave permission for the company's primary

creditor, the Irving Trust Co. of New York, to hold an auction of the company's assets, meaning the company would be liquidated. Eloise Morgan, a lawyer for the bank, said it will take about six weeks to advertise the sale. A private sale of some of the assets is also possible, she said.

IN LIMBO

The end of ATF seemed anticlimactic after former employees and creditors spent months in limbo. Of the company's work force, just Kenneth Guertin, the president of Local 3654 of the United Steelworkers of America, attended yesterday's hearing.

"I usually have a carload with me," he said. "I just wish our lawyer had come to speak on our behalf."

Only Lucille Brennan, the lawyer for the unsecured creditors, spoke in favor of a plan presented by ATF Chairman Gary Lutin to sell only part of the company's assets, but called it flawed.

"We do think the proposal shows a hope that something may occur there," she said.

Queenan said he allowed Lutin to attempt a private sale of the company as an entity because it might have brought a higher price. "That attempt has been made," he

said, "and the result shows no clear advantage over what can be obtained through a foreclosure."

'ILLUSORY'

He called Lutin's proposal to sell the company to Patrick J. Egenolf and F.W. Grube of Indianapolis, "complex and somewhat illusory." Egenolf and Grube proposed to buy the company's machinery and equipment, accounts receivable and inventory, but not the plant, surrounding real estate or miscellaneous parcels in other locations.

The pair offered \$2 million in cash and some promissory notes, which Ms. Morgan termed "speculative." The proposal also said the

pair intended to lease with an option to buy.

Charles Normandin, a White Consolidated ATF's former parent company secured creditor who had been dealing with his several years in an unsatisfactory manner.

"There is not a single commitment to hire any particular employees for any amount of time. I think we should move from the fiction of present promises that are no longer true," he said.

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Home Nat. reports loss

\$20.4M figure may go higher

Home National Corp., whose principal subsidiary is Milford-based Home National Bank, yesterday announced a preliminary operating loss for 1989 of \$20.4 million or \$3.21 per share, but said the figure might go higher.

es. If new capital is not Home National said, it is likely the bank will not meet new federal capital requirements.



The Milford bank has been hit by the downturn in the real estate market.

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