

Acquisition refusal leaves us wondering

The recent story of United Bank Alaska's offer to Alaska Mutual Bank for a friendly takeover ended with some undercurrents that caused us some concern. It was not the rejection of the friendly offer that bothered us, but the manner and style in which the rejection was submitted.

The Board of Directors of Alaska Mutual Bank paid for a full-page advertisement in the Anchorage Daily News as a "Letter to our Shareholders," explaining their reasons for rejecting UBA's friendly offer.

Were the offer rejected simply on sound business decisions, we would not object, nor would we be concerned about the advertisement. But several statements were made in the ad that smacked of insidious and unprofessional attitudes on

the part of the management and Board of AMB.

Item 1: "The Board has also considered the size, management, control features, future prospects and community image of UBA." This statement is a very underhanded attempt, whether purposeful or not, to denigrate UBA's phenomenal success within the business community of Alaska. Their spectacular rise, in a relatively short time, bespeaks nothing less than glowing prospects for UBA in all these areas mentioned in that sentence.

Item 2: "Our research demonstrated that a controlling interest in AMB is worth far in excess of \$36.25 per share on an all-cash basis, and UBA's proposal is mostly paper." This statement was made

even after AMB was very seriously considering selling control to an Outside bank (the troubled Seafirst Bank) at a little over \$30 per share. We think AMB's management is painting a too rosy picture for its shareholders that is going to reflect badly upon them in the near future.

But finally, and what really bothers us most in the ad, is the parenthetical aside in the second paragraph which reads: "After the acquisition, our shareholders would own about 40 percent of the UBA stock, and the present shareholders of UBA would own about 60 percent (*including about 38 percent by eight Alaska Native Corporations*)." [Emphasis ours.]

To our mind that parenthetical expression is totally extraneous and

unwarranted and, by its very inclusion, creates a prejudicial tone that smacks of racism, subtle though it be. The question could be thus asked, "Does AMB not want any business from Alaska Native corporations?"

We are certain, but would like to hear it from AMB and its Board of Directors, that such is not the case.

Both the friendly offer by UBA and the rejection of that offer by AMB were highly publicized in the media. That should have been the end of it. The advertisement by AMB appears to be a highly unfriendly reaction that is unworthy of professionalism in the banking community upon whom we all place such great faith and trust.

—GBG