

# **Reinell reorganization plan fails**

**JUNEAU** — The federal bankruptcy court in Seattle, Friday, April 13, failed to confirm the plan for reorganization of Reinell Industries, Inc., thus terminating Sealaska Corporation's involvement in the proposed acquisition.

Sources had reported that Sealaska made arrangements with Reinell directors, a union representing employees from the boat building firm's Washington plant, and the firm's major creditor, Seattle First National Bank, to take over the financial

ly troubled firm.

The plant has been closed since mid-February. The firm's president, William Niemi, Jr., said then the company needed \$1.5 million in operating capital to keep its doors open. Reinell fiberglass pleasure boats. Had the deal gone through, it would have been the second major acquisition for the Southeast Alaska regional corporation.

The proposed plan was not approved by creditors who represent more than 50 per cent of the outstanding debt. This

was a necessary requirement under the bankruptcy law. Therefore, the court could not confirm the plan which would have allowed Sealaska Corporation to purchase the assets of Reinell and make it an operational corporation owned by Sealaska.

Sealaska Corporation examined the Reinell acquisition thoroughly and found it to be an attractive investment under the circumstances. Sealaska Chairman Byron I. Mallott, said "Sealaska regrets that it could not purchase Reinell's assets. It could have been a profitable corporation which could have contributed to the economy of the Pacific Northwest. We felt that it was a good investment, but Sealaska could not afford to wait any longer for the decision by the bankruptcy court to become final. The pleasure boating industry is already well into the production and sales year.