

Doyon sues consultant on refinery advice

The Associated Press

Anchorage — Doyon Ltd. has filed suit against a Dallas-based consulting firm, contending the firm gave the Fairbanks based Native regional corporation bad advice in connection with Doyon's now abandoned plan to build an oil refinery.

Purvin & Gertz Inc. of Dallas was hired by Doyon in 1981 to advise the corporation on oil industry investment opportunities in Alaska. The firm advised that building a new refinery in Fairbanks was feasible and that Doyon should

negotiate construction of the project, the suit contends.

Doyon, at the urging of the consultants, entered a binding construction contract with Litwin Engineers and Constructors Inc. But Doyon abandoned the refinery project three months later after attempts to secure financing failed.

According to the suit, cancellation of the contract cost Doyon more than \$10,000.

"Defendants were negligent in urging plaintiff to commit itself too quickly to a pro-

ject which defendants knew or should have known involved unreasonable risk of not being completed due to the lack of financing and other project requirements," according to the suit filed this week in Anchorage Superior Court.

"Plaintiffs had no previous experience in the oil business and relied entirely on the advice of defendants in deciding to enter the contract with Litwin," the suit said.

Doyon had hoped to buy state royalty oil to fuel the re-

finery, which would have produced gasoline.

Purvin & Gertz declined comment on the suit.