

13th Corp. repays creditors

SEATTLE — The 13th Regional Corp. earlier this month re-emerged from its financially troubled past by repaying all of its undisputed creditors and thanking the major ones at a luncheon here.

Among the corporation's major creditors was the State of Alaska Department of Labor. Checks totaling \$35,845 will be received by that agency for past due unemployment insurance premiums. The corporation maintains an oil and labor crew services camp at Cold Bay.

"We have met every obligation of our Chapter 11 financial reorganization plan and will soon ask the Bankruptcy Court here to close its files," said Kurt Engelstad, president and board chairman of The 13th. A Portland, Ore., attorney and Native shareholder of the corporation, Engelstad has led The 13th during the past five years.

The 13th filed for protection under Chapter 11 in September 1986, after sustaining more than \$25 million in losses primarily through endeavors in the fisheries industry during the late 1970s. That filing listed undisputed debts of about \$400,000 and assets of \$86,000. The company will have an asset base of more than \$5 million after payments to creditors, according to Engelstad.

Among other 13th representatives in attendance at the luncheon were Barbara

D'Cafango of Seattle, corporate treasurer; and Albert Kowchee, a member of the board of directors and president of Kowchee Inc., an Anchorage based engineering firm.

Engelstad said the turnaround was accomplished by cutting operations costs and squeezing income from remaining assets so that The 13th could last long enough to benefit from use of its net operating loss carryforwards.

"Cash used to pay our creditors and to return the company to liquidity came through a transaction with the Del E. Webb Corp. of Phoenix, Ariz.," Engelstad said.

Earlier this month, the corporation's board of directors adopted a revised business plan and shareholders' dividend policy, it was announced. One half of The 13th's cash assets — about \$2 million — will be placed under professional management, income from which will be distributed annually to 13th shareholders as dividends. The first distribution of dividends is planned for 1989.

The balance of the firm's assets will be used to upgrade its Aleutian Support Facility at Cold Bay, generate income earnings and to acquire an equity position in a suitable business venture, Engelstad said.

The 13th is now based in Vancouver, Wash.