

Aleut Corp., former manager, split decisions in lawsuit

(Editor's Note: Through special arrangement, Anchorage DAILY NEWS writer Dan Lindley will report on news of interest to the Native community until September for the Tundra Times.)

BY DAN LINDLEY

A tentative decision has been reached in a suit involving claims of over \$500,000 between the Aleut Corporation and its former general manager, L. William Childs, but Superior Court Judge James K. Singleton may not hand down a final decision until the end of the month.

The tentative, oral decision found for the Aleuts in their claim that Childs had been negligent in his supervision of the Native corporation's first business investment, construction of the Aleut Pride and the Aleut Princess, a pair of 120-foot, 200-ton fishing boats. Meanwhile, the judge tentatively found for Childs in his counter-

charge against the Native corporation for breach of contract.

The Aleut Corporation is seeking about \$340,000 from Childs, while Childs is asking for over \$190,000 in damages. Awards will be included in the judge's final decision.

Lawyers for the Aleut Corporation charged that Childs failed to hire a marine architect, which resulted in structural errors, and that he did not financially secure each vessel by use of performance bonds, which made the corporation responsible for nearly \$550,000 of laborers' and suppliers' liens when the shipbuilders went bankrupt. The corporation claimed it lost \$700,000 in 1975 as a result of Childs' negligence.

"We've turned around since Childs walked off the job and we're making profits now," said

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Frank Cowden, vice president of the Aleut Corporation, whose 3,300 stockholders control about 11,000 square miles of islands southwest of the Alaska mainland and a portion of the lower Alaska Peninsula. Aleut comptroller Avis Toberer said the corporation will show a profit of \$100,000 for 1978.

Childs refused to comment on the case pending final outcome.

In his counterclaim, Childs said that his employment contract as general manager was breached in June 1975 when his duties and contract rights were modified so as to render him demoted. Childs' charge was based on amendments made to corporation officers' job descriptions by the board of directors and has been tentatively upheld by Judge Singleton.

"In effect, Judge Singleton ruled that Childs was president in everything but name," said Vice President Cowden. Cowden said he thought the judge

based his decision "strictly on a matter of law" and said that the corporation's board of directors had not understood Childs' original employment contract and had expected him to train their Aleut president and staff so they eventually could assume full duties.

"The stockholders didn't know what they were being stuck with," said Cowden.

Board members testified during the five-week trial that it had not been their intention to demean or demote Childs, but that they were attempting to give the president the authority they hoped he would assume with the help of Childs.

Cowden said that the Aleut Corporation already has spent over \$100,000 on the suit. Lawyers for both sides are filing findings of fact on July 24 and expect a final decision by the end of the month. Judge Singleton is not bound by his earlier, tentative decision, lawyers for the Native corporation said.