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# UPI Files To Regain Stock Report Service

By GREGORY GORDON

WASHINGTON (UPI) — United Press International filed a proposed court settlement yesterday in which it would regain full ownership of its stock price reporting service and recover up to \$700,000 in annual revenues.

Under the settlement, James West, a Glens Falls, N.Y., businessman, agreed to sell to UPI for \$70,000 his half ownership in Fintext Inc., a joint venture firm formed in 1984, and to resign as president by Sept. 10.

Lawyers for UPI, which is operating under Chapter 11 bankruptcy protection, elicited sworn testimony from West last month that raised questions about Fintext's activities.

UPI Chairman Luis Nogales has criticized the Fintext transaction as one of several "bad deals" negotiated by UPI's chief stockholders, Douglas Ruhe and William Geissler.

UPI announced yesterday it plans to dissolve Fintext and carry out its business directly through UPI. The news service says it intends to upgrade its financial information services.

The federal bankruptcy code permits a firm operating under Chapter 11 protection to recover assets sold in "fraudulent transactions" — legally defined as deals made for prices be-

low market value.

In moving to recover the Fintext stock last month, UPI also said it had ousted Ruhe and Geissler as Fintext directors and replaced them with Nogales and UPI corporate counsel William Bowe.

When Fintext was formed, West agreed to collect the \$1.3 million in revenues from the stock service, to develop sophisticated new computer technology for its transmission, and to repay UPI's costs of producing the report.

West has yet to deliver the new technology, and UPI recently sent Fintext a bill for \$1.6 million in unpaid costs for the stock service produced by UPI's financial desk in New York. Later it said the amount owed was closer to \$1.4 million.

West asserted in sworn testimony that he had been relieved of all but \$50,000 in monthly payments to UPI for its expenses.

Under the agreement, which must be signed by U.S. Bankruptcy Judge George Bason by Sept. 10, UPI will be unable to collect any of the debts for which it billed Fintext, because the firm has no cash.

However, it would regain Fintext's full revenue stream of up to \$1.3 million annually, rather than the \$600,000 it has been drawing.



0.68

1.16

5.04

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1

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