

(TRANSPAC ORDERED DISSOLVED)

SAIPAN, FEB. 27 (MNS)---TRUST TERRITORY HIGH COMMISSIONER EDWARD E. JOHNSTON HAS ORDERED THAT TRANSPACIFIC LINES, INCORPORATED, BE DISSOLVED, NAMING A NEW RECEIVER, CALIFORNIA MARITIME LAW ATTORNEY JOHN F. MEADOWS, TO TAKE CHARGE OF THE BANKRUPT COMPANY AND EFFECT THE DISSOLUTION. THE AUTHORITY FOR THIS ORDER IS PROVIDED FOR IN THE CHARTER OF THE CORPORATION ISSUED IN 1968 BY THE THEN HIGH COMMISSIONER. 11
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DOCUMENTS NAMING MEADOWS AND ORDERING THE DISSOLUTION WERE OFFICIALLY FILED WITH THE TRUST TERRITORY HIGH COURT ON SAIPAN LATE TUESDAY AFTERNOON (FEB. 27), AND CHIEF JUSTICE HAROLD W. BURNETT SIGNED AN ORDER APPOINTING MEADOWS SHORTLY THEREAFTER. THE ORDER ALSO NAMES FRANK RAYMENT AS DEPUTY RECEIVER, AND WILLIAM H. PENROSE, JOHN S. MARUMOTO AND JUAN DE LA CRUZ AS ASSISTANT RECEIVERS. RAYMENT HAS BEEN TRANSPAC'S ACCOUNTING MANAGER, PENROSE THE COMPANY'S GENERAL MANAGER, MARUMOTO THE FINANCE MANAGER, AND DE LA CRUZ THE FREIGHT MANAGER.

MEADOWS, AN ATTORNEY IN PRIVATE PRACTICE FROM SAN FRANCISCO WHO SPECIALIZES IN ADMIRALTY AND MARITIME LAW, WAS WITH THE U.S. DEPARTMENT OF JUSTICE FOR MANY YEARS. HE CAME TO SAIPAN LAST WEEK AS A CONSULTANT TO THE RECEIVER. HE NOW SUCCEEDS SAIPAN BUSINESSMAN DAVID M. SABLAN, WHO RESIGNED AS RECEIVER OF THE COMPANY LAST WEEK CITING CONFLICT OF INTEREST WITH HIS POSITION AS GENERAL MANAGER OF MICROL CORPORATION, A DIVISION OF ATKINS-KROLL OF SAN FRANCISCO.

ONE OF MEADOWS FIRST OFFICIAL DECISIONS AS RECEIVER WEDNESDAY WAS NOT TO CALL THE MEETING OF TRANSPAC SHAREHOLDERS THAT WAS TO HAVE RESUMED WEDNESDAY EVENING. HE INDICATED THAT, SINCE THE CORPORATION IS BEING DISSOLVED, NO PURPOSE WOULD BE SERVED BY THE SHAREHOLDERS MEETING.

MEADOWS ALSO MET WITH TRANSPAC EMPLOYEES, INFORMING THEM THAT THEY WOULD BE PAID FOR ALL WORK PERFORMED THROUGH FRIDAY OF THIS WEEK, EXCEPT FOR MANAGEMENT PERSONNEL, WHO WILL BE PAID THROUGH THURSDAY. MANY OF THE COMPANY'S EMPLOYEES ON SAIPAN HAVE ALREADY LEFT FOR OTHER JOBS OR ARE ACTIVELY SEEKING OTHER EMPLOYMENT, AND THOSE WHO REMAINED AT THE FIRM'S SAIPAN OFFICES WEDNESDAY WERE ENGAGED IN THE JOB OF CLEANING FILES, PACKING RECORDS INTO BOXES, AND CLOSING DOWN THE OPERATION.

SEVERAL VESSELS UNDER CHARTER TO TRANSPAC REMAIN UNDER WAY THIS WEEK. "AS MUCH AS POSSIBLE," MEADOWS STATED, "CARGOES THAT ARE THE RESPONSIBILITY OF TRANSPAC WILL BE DELIVERED TO THEIR DESTINATIONS. THIS INCLUDES CARGO PRESENTLY ON GUAM, AS WELL AS THAT ON BOARD THE GUAM BEAR BOUND FOR GUAM." HE ADDED, HOWEVER, THAT ALL TRANSPAC-CHARTERED SHIPS WILL BE RETURNED TO THEIR OWNERS AS SOON AS POSSIBLE. THE M/V LOTTE REITH, PRESENTLY IN THE EASTERN DISTRICTS, WILL BE TAKEN OFF CHARTER WHEN SHE RETURNS TO SAIPAN IN ABOUT ONE WEEK. SHE IS OWNED BY A GERMAN COMPANY. THE M/V HERKIMER, NOW ENROUTE FROM PONAPE TO KUSAIE, WILL CALL AT EBeye AND MAJURO, AND WILL THEN GO OFF CHARTER AND BE RETURNED TO THE TT GOVERNMENT. THE M/V MUSKINGUM, NOW IN KAOHSIUNG, TAIWAN, WILL ALSO BE RETURNED TO THE TT GOVERNMENT AT THAT ROUTE.

THE TRUST TERRITORY GOVERNMENT AND TRANSPAC ARE EXPLORING OTHER MEANS OF DELIVERING ANY CARGO REMAINING AFTER THESE SHIPS ARE RETURNED.

HIGH COMMISSIONER JOHNSTON, IN HIS EXECUTIVE ORDER NAMING MEADOWS, GAVE HIM THE FOLLOWING SPECIFIC AUTHORITY:

"TO MARSHALL ALL ASSETS OF THE CORPORATION; TO SUE AND BE SUED AS RECEIVER OF TRANSPACIFIC LINES, INC., AND TO INITIATE, DEFEND, PROSECUTE, SETTLE AND COMPROMISE ANY AND ALL CLAIMS AND LAWSUITS, AGAINST AND ON BEHALF OF TRANSPACIFIC LINES, INC.; TO DETERMINE CREDITORS OF THE CORPORATION, ASSIGN PRIORITIES OF DEBTS OWING BY THE CORPORATION, AND MAKE SUCH PAYMENT OR PAYMENTS

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THEREON AT SUCH TIMES, AND IN SUCH AMOUNTS AS IN HIS SOLE DISCRETION ARE PROPER: TO MAKE AND ENTER INTO ANY AND ALL CONTRACTS FOR AND IN BEHALF OF THE CORPORATION ON SUCH TERMS AND CONDITIONS AS IN HIS SOLE DISCRETION APPEARS PROPER: ...TO TERMINATE EMPLOYMENT CONTRACTS AND TO RELEASE SUCH EMPLOYEES AS HE DEEMS NECESSARY UNDER THE CIRCUMSTANCES; AND SUCH OTHER POWERS AND AUTHORITY AS HE FINDS NECESSARY TO EFFECT A DISSOLUTION OF THE CORPORATION, UNDER THE LAWS OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS."

MEADOWS TOLD MNS WEDNESDAY HE EXPECTS THE COMPLETE DISSOLUTION OF TRANSPAC CAN BE ACCOMPLISHED "WITHIN THREE MONTHS." HE SAID HE AND HIS ASSISTANTS ARE IN THE PROCESS OF FINDING OUT WHAT RECEIVABLES THE COMPANY HAS, AND WHO THE CREDITORS ARE. A COMPLETE LIST OF CREDITORS WILL BE FILED WITH THE HIGH COURT AS SOON AS IT IS AVAILABLE.

UNDER THE LAW, CREDITORS CAN ONLY BE PAID WHEN THE COSTS OF THE RECEIVERSHIP HAVE BEEN MET, AND THEN ONLY TO THE EXTENT MONEY IS AVAILABLE. STOCKHOLDERS IN THE CORPORATION CAN ONLY BE PAID AFTER ALL CREDITORS HAVE BEEN PAID. MEADOWS SAID AT THE PRESENT TIME "THE RECEIVERSHIP HAS NO MONEY," AND HE HAS BEEN GIVEN AUTHORITY BY THE HIGH COURT TO BORROW MONEY FROM THE TRUST TERRITORY GOVERNMENT TO PAY ONGOING EXPENSES OF ADMINISTERING THE RECEIVERSHIP.