

Fuqua's Beaver Creek And Trans-Industries Agree to Consolidation

Companies to Form New Concern Called Action Age; Long-Term Financing Program Is Planned

By a WALL STREET JOURNAL Staff Reporter

ATLANTA — Beaver Creek Industries Inc., Atlanta, and Trans-Industries Inc., Bloomfield Hills, Mich., agreed in principle to consolidate into a new corporation, Action Age Inc., through exchanges of stock.

Action Age would issue about 933,000 common shares in exchange for the combined 2,675,000 common shares of Beaver Creek and 1,948,000 common shares of Trans-Industries outstanding. Basis of the proposed swap is one share of Action Age for each six shares of Beaver Creek and one share of Action Age for each four shares of Trans-Industries, subject to approval by the directors and stockholders of both companies.

Both issues presently are bid over the counter at about \$2 a share, representing an aggregate market value of more than \$9 million, according to an official of Fuqua Industries Inc., Atlanta, which controls Beaver Creek.

Long-Term Financing

Contemplated with the consolidation, he said, is new long-term financing in the range of \$2 million to \$2.5 million, probably in the form of debt with warrants, to finance the expansion of Action Age.

On a consolidated basis, Action Age last year would have had sales of about \$22 million and stockholders' equity of about \$8.5 million. A spokesman said pro forma earnings would have exceeded by an as-yet-undetermined margin the approximately \$90,000 cleared by Beaver Creek.

He said the two companies are substantially identical in size and that the stockholders of

each would wind up owning about half of the new company.

Fuqua Industries presently manages Beaver Creek's acquisition program and holds an option permitting Fuqua to purchase up to 27.5% interest in Beaver Creek at \$1.82 a share until May 1972.

Fuqua's Plans

Under the proposed consolidation, the Fuqua official said, Fuqua anticipates reducing the number of shares it could acquire in order to "sweeten" the proposed warrants, but at the same time getting a one-year extension on the option to May 1973. On that basis and assuming exercise of the option, he estimated that Fuqua would obtain "between 5% and 10%" of the Action Age stock at a price proportional to its option price on the Beaver Creek shares.

He also noted that the management of Trans-Industries would assume overall direction of Action Age, probably establishing its headquarters somewhere other than Atlanta, and that Fuqua would be less involved in its activities than it presently is in those of Beaver Creek.

Trans-Industries makes an all-terrain recreation vehicle called the "Scrambler," a mobile home named the "Travoy," destination and advertising signs for rapid-transit equipment, and it also does printing and binding.

Beaver Creek makes minibikes and the "Fox Trac" snowmobile, distributes mobile homes and is engaged in carpet-finishing operations.