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Statordyne Removes 2 Conversion Officials : Investments: The Anaheim firm seeks to separate its functions from a 22% shareholder, which has been dropped from the American Stock Exchange.

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ANAHEIM — Statordyne Corp., in an effort to distance itself from Conversion Industries Inc., said Monday it has removed Randall M. Gates and Donald B. Clark from its board of directors.

Gates is Conversion's chief financial officer, and Clark is the current chief operating officer and former president of the Pasadena merchant bank that helped Anaheim-based Statordyne with its first public stock offering in 1993.

Statordyne, which makes electrical power enhancement systems, has also terminated a consulting agreement with Conversion under which Conversion advised Statordyne on matters ranging from legal services to employee benefits.

As a result of the actions announced Monday, company officials said, Conversion no longer has any direct involvement with Statordyne. It is still a shareholder, owning 22% of Statordyne's stock.

Statordyne spokesman Lance Ignon said that negative publicity about Conversion in recent weeks has "unfairly spilled over" and has damaged Statordyne's reputation with both investors and Wall Street brokerages.

The American Stock Exchange took the rare step of delisting Conversion's stock in mid-October because of unspecified disclosure issues. Since then, Statordyne has had problems of its own with Amex officials. On Oct. 27, Amex said it was reviewing the company's capitalization.

At the end of its latest fiscal year, Statordyne reported only \$302,000 in capital. Amex requires minimum capital of \$1 million to list a company's stock.

Ignon said Amex is still reviewing the company's listing on the exchange.

In Monday's trading, Statordyne's stock closed at \$1.69 a share, unchanged.