

3520	690
14 15 18 19 20 21 22 25 26 27 28	14 15 18 19 20 21 22 25 26 27 28
July	July
DOW JONES INDUSTRIALS	3,730.83, UP 10.36
NYSE COMPOSITE INDEX	250.60, UP 0.76
OTC COMPOSITE INDEX	712.42, UP 0.30
3-MONTH TREASURY BILL	4.40, DN 0.03
30-YEAR TREASURY BOND	7.54, DN 0.07
FEDERAL FUNDS	4.31, UP 0.03
DOLLAR VS. YEN	99.50 YEN, UP 0.89
GOLD, COMEX SPOT	\$386.40, DN \$1.30
SILVER, COMEX SPOT	\$5.337, DN \$0.018
COPPER, COMEX SPOT	\$1.0990, UP \$0.0090
OIL, SWEET LIGHT CRUDE	\$19.77, UP \$0.31

BUSINESS

F
SECTION
6 PAGES

29TH

JULY 1994

FRIDAY

TWIN CITIES

DAVE BEAL

Alliant stockholders quietly battle issues

Talk about Minnesota Nice. That Alliant Techsystems annual meeting Wednesday certainly stretched our lofty standards of decorum to the max.



STAFF COLUMNIST

At the meeting, inspectors collected the ballots that will decide an important proxy contest for control of the company. Twice, shareholders were invited to ask questions or voice their views about the battle for Alliant. Only one stockholder actually rose to criticize the challengers who seek to toss out the incumbent directors. He said some things that were not very nice, tossing in an expletive or two. His candor drew uncomfortable squirms. Otherwise, the stockholders were silent.

Not that there wasn't plenty to talk about.

The challengers, New York-based Capstay Partners, want to boost returns for Alliant's shareholders. They say that might mean selling off parts of the company, which is the Pentagon's largest munitions supplier. That possibility could raise significant defense policy questions.

The very thought of such a breakup also stirs the specter of more cutbacks in Alliant's still-sizable work force in the Twin Cities area. In 1990, when it was spun off from Honeywell, Alliant employed roughly 5,000 workers here, on jobs that carry relatively good pay and benefits. Since then, confronted with the nation's shrinking budget for defense contractors, it has slashed its Twin Cities employment to about 3,000.

The fight for Alliant also features a striking generational contrast that pits Wall Street upstarts against seasoned executives in some cases almost twice their ages. Capstay principals Joel Greenblatt and Daniel Nir, both little-known and in their 30s, are seeking to oust from Alliant's board one-time CEOs at five Fortune 500 companies: J. Fred Bucy, Texas Instruments; Robert Charpie, Cabot; Allen Jacobson, 3M; Charles Luellen, Ashland Oil; and Steven Rothmeier, Northwest Airlines. A sixth director on their hit list: former Minnesota Congressman Vin Weber.

The meeting Wednesday marked a rare moment. Battles for control of Twin Cities companies almost never reach a shareholder meeting. In the 1980s they typically got resolved, one way or another, without coming before such a gathering. That happened at Dayton Hudson in 1987, at Pillsbury in 1988 and at Northwest Airlines in 1989.

The meeting was meticulously organized. It opened with a pizzazy video that illustrated the performance of Alliant's smart weapons in the Gulf War. Then Greenblatt and Alliant's CEO, Toby Warson, each had five minutes to state their positions. Plainly, Warson was the house favorite; the overflow crowd of more than 400, mostly Alliant employees, gave him a big hand. Greenblatt got no applause.

Meeting-goers hoping for a final decision on the proxy contest were left in limbo. Near the end of the session, Warson announced that the outcome of the skirmish wouldn't be disclosed then; we may not know who won for days, possibly not until Aug. 10.

But decision or no decision, this was the one moment shareholders had to draw out spontaneous responses from their management and directors, in an open forum, about the many pivotal issues facing their company. Not even

COMMODITIES

Edina man indicted for tainting General M

LEE EGERSTROM STAFF WRITER

Y. George Roggy, the Edina pesticide company owner accused of spraying an unapproved chemical on General Mills' breakfast cereal oats supply, has been indicted by a federal grand jury on 13 counts involving mail fraud, adulteration of food and misuse of a pesticide.

A sealed indictment was delivered on Wednesday. Roggy was arrested at his home early Thursday, according to the

U.S. Attorney's Office in Minneapolis. He appeared before U.S. Magistrate J. Earl Cudd and was released on a \$5,000 bond.

Formal arraignment is scheduled for Tuesday.

The misused pesticide was discovered by federal food inspectors in early June, prompting General Mills to remove 50 million boxes of cereals from the market and take other protective steps that will cost the company from \$40 million to \$60 million.

Roggy is accused of substituting a less

expensive pesticide, called Dursban 4E, for the pesticide Reldan 4E while under contract with General Mills during the past year to treat the cereal maker's oats supply stored at elevators in Duluth.

U.S. Attorney David Lillehaug said Roggy's company, Fumicon Inc., saved \$85,319.04 in chemical costs by substituting the less expensive pesticide during 17 applications at the grain terminal between April 15, 1993 and May 17 this year. Both chemicals are made by Dow Elanco.



ANDY KING/PIONEER PRESS

Jarvis Jones, a St. Paul Cos. attorney, took over as president of the Hennepin County Bar Association on July 1.

LAW

Bar association chief hopes to encourage diversity

Jones is first black to head lawyers group

SCOTT CARLSON STAFF WRITER

Jarvis Jones drew raised eyebrows from some minority attorneys five years ago when he encouraged them to join him as a member of the Hennepin County Bar Association.

With less than 100 minorities among the association's 6,500 members, some colleagues wondered, "Why are you wasting your time and why would you go where you're not welcome?" recalled Jones, then president of the Minnesota Minority Lawyers Association.

Today, Jones, an attorney with the St. Paul Cos., is convinced he is making good use of his time and doesn't feel out of place: Jones is the first black to become president of the 75-year-old organization. He assumed his one-year post on July 1.

"My election is significant because it demonstrates the bar recognizes there is a need for diversity in the legal system," Jones said.

During the next 12 months, Jones wants to increase diversity in his association's membership and get the organization more active in community service. His ideas for wooing more minorities include creating an ad hoc diversity committee that would meet and work with minority lawyer groups.

Jones added he intends to recruit minorities to help the Hennepin association implement recommendations from its 1993 "glass ceiling" report which found that women and minority attorneys face hurdles to keep their jobs and advance in Twin Cities law offices. The report recommended, among other things, that legal employers and the Hennepin County bar develop minority hiring programs that would include hiring and advance-

ment goals. Despite recent gains in broadening the legal profession, the industry has been "extremely slow" to accept and encourage diversity, Jones said. Only 3.3 percent of U.S. attorneys in 1990 were black, according to the American Bar Foundation Lawyer Statistical reports.

And in Minnesota, less than 5 percent of the state's 16,000 practicing attorneys are minorities, according to the Minnesota State Bar Association.

As a result, some minority attorneys are uncomfortable and reluctant to join bar associations at any level, Jones said. "People of color haven't always seen the value of joining the Hennepin County Bar Association and so there is a wait-and-see attitude," he explained.

Clinton Collins, a black attorney in Minneapolis who is a member of the Hennepin County Bar Association, ap-

JONES CONTINUED ON 5F ▶

Jobless claims

Number of people filing new claims for unemployment benefits

In thousands
400

THE ECONOMY

Unemployment claims drop after summer work lulls

Toby's staying put. A colorful president and chief Toby Warson, isn't planning regardless of how the proxy of the Hopkins-based munitions out.

His comments on his planned by a Pioneer Press

JONES

▼ CONTINUED FROM 1F

plauds Jones' goal to broaden the organization but is unsure what impact the new president can have on diversity.

"Jarvis will be contending with people who will have high expectations," Collins said. "So you are the bar president. How will this translate for additional business? That's a reason why people join bar associations, to make connections.

"Even though Jarvis is sitting at the top, it is still very much a white bar association instead of cross-cultural bar association," Collins noted.

Michelle Miller, another Minneapolis minority attorney, agrees the bar association has "a long way to go" to achieve diversity. But she also contended that Jones' election is "no flash in the pan."

"It can be viewed as the bar association saying we are now at least interested in embracing diversity," Miller said.

The Hennepin County bar isn't the only legal group giving diversity a high priority. Across the river, the 2,700-member Ramsey County Bar Association is making progress in diversifying even though it has never had a black as president, said Jane Harens, association executive director.

"We are seeing increased participation in our bar by people of color," Harens said. For example, a black attorney, Kevin Lindsey, is on the association's board of directors and "several key committees have a more diverse membership," she said.

Meanwhile, Jones' other major goal is to increase his bar's involvement in community service. "Many folks say there are too many lawyers" but in some low-income neighborhoods there is a shortage of them, he said.

Jones said the bar association's community service might, for example, include helping train citizens on how to lobby state lawmakers. Meanwhile, there is also a need for attorneys to serve the community in non-legal capacities such as food shelf programs, he said.

Jarvis Jones

■ **Age:** 35

■ **Born:** Chicago

■ **Education:** Bachelor of arts in political science and sociology from St. Olaf College, juris doctor degree from William Mitchell College of Law.

■ **Career:** Business development officer for St. Paul Cos.' medical services division. Previously a senior government affairs attorney for the company.

■ **Legal activities:** President of the Hennepin County Bar Association. Past president of the Minnesota Minority Lawyers Association, previously co-chairman of the Minnesota Minority Corporate Counsel Program, mentor for William Mitchell College of Law mentor program.

■ **Family:** Lives in St. Louis Park with his wife, Laura Kaplan.