

CONTINENTAL WITHOUT ITS CHIEF

By PAMELA G. HOLLIE, Special to the New York Times

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LOS ANGELES, Aug. 10— The apparent suicide of Alvin L. Feldman, chairman and chief executive officer of Continental Air Lines, comes near the end of the 53-year-old executive's bitter struggle to prevent Continental from being taken over by another airline - a struggle Continental now seems to be losing.

Even before Mr. Feldman's body was found last night in the airline's office, Continental's directors had scheduled a meeting for tomorrow to review the unfavorable developments in the takeover battle. The Civil Aeronautics Board last Thursday approved plans by Texas International's parent company, the Texas Air Corporation, to buy Continental. And nine banks over the weekend withdrew support for a \$185 million loan that Continental's employees had planned to use to purchase their airline, a maneuver endorsed by Mr. Feldman to avert the takeover.

Mr. Feldman was found by a security guard in the airline's offices at the Los Angeles International Airport. The apparent cause of death was a single gunshot wound in the head. Wife's Death Cited

In three letters addressed to his three children, David, 25, John, 23, and Susan, 20, and to his attorneys, Mr. Feldman said he had been depressed over the death of his wife Rosemary last year.

"Apparently after his wife died, he threw himself heart and soul into the company and that was his whole existence," a Continental spokesman said. "And then the bottom fell out with the employees' stock plan."

Fatigue, the growing threat of the Texas International takeover and Continental's losses in the first two quarters of this year may have added to Mr. Feldman's depression.

"Texas International will probably get Continental," said John V. Pincavage, vice president and transportation analyst for Paine Webber Mitchell Hutchins Inc. "Everything points that way.

"The question is now what have they gotten. I'd hate to be in their position of walking into a company with so much vehemence and literally hatred and then have to try to get production going and boost morale."

Mr. Feldman, who joined Continental in March 1980, was well liked by employees, and that popularity, Mr. Pincavage said, could have helped assure a smooth transition should Texas International's takeover bid receive final approval from President Reagan and lastminute appeals by the airline fail. "It's going to be a very tough nut for Texas International to crack," he said.

Texas International, a much smaller Houston-based carrier, made its takeover bid after Continental, the nation's ninth-largest airline, posted a \$27 million loss in 1980 on revenues of \$992 million, partly because of a long strike by flight attendants. The airline lost an additional \$34.7 million in the first half of this year on revenues of \$496.7 million.

Mr. Feldman had expected an upturn in the third quarter, but the air controllers' strike, which began last week, has reduced Continental's revenues, dimming prospects of an upturn in this quarter.

Mr. Feldman had been brought to Continental by Robert Six, Continental's 73-year-old chairman of the board, to reduce the airline's losses and reorganize the carrier that Mr. Six had built in 42 years as chief executive.

"I brought him to Continental because I thought he was the nation's finest airline executive," Mr. Six said today. "He proved that to me time after time over this past difficult year."

At the board meeting tomorrow, it is expected that George A. Warde, 59, who succeeded Mr. Feldman as president and chief operating officer on Aug. 1, will be named as the airline's new chief executive, according to Julian Levine, a company spokesman.

The death of Mr. Feldman, however, will not alter Texas International's takeover plans. "I assume that, since we have been pursuing the acquisition all along, I don't know as that would be changed," said Bruce Hicks, a Texas International spokesman.

Continental had hoped to save itself from Texas International with an innovative strategy to issue 15.4 million new shares and assign them to an employee stock ownership plan, which would then control Continental through a trust. Such a move, if successful, would dilute Texas International's holding in Continental to less than 25 percent from the current 48.5 percent. But the strategy has run into obstacles, including Continental's attempt to install it without a shareholder's vote. The C.A.B. ruling last week is expected to give Texas International more freedom to vote its Continental shares than it has had.

The 11,000 employees had joined Mr. Feldman's fight to stop Texas International because they became convinced that Francisco Lorenzo, Texas International's chairman, intended to dismantle Continental and cash in its assets. When Paul Eckel, a Continental pilot, launched the Continental Employees Association, Mr. Feldman supported it, gave it office space at the Continental headquarters and tried to protect the plan from a shareholders' vote, which might have gone against the plan. Mr. Eckel called Mr. Feldman "one of our greatest boosters."

When a California Corporations Commission ruled that the plan must come before Continental shareholders for approval - a ruling the airline is challenging in court - Continental directors agreed that the company would rather face delisting from the New York Stock Exchange than risk a shareholders' vote that might be dominated by Texas International.

Alvin Lindbergh Feldman, a mechanical engineer with a BA from Cornell, had proven himself at Frontier Airlines, an old competitor of Continental for western routes. In nine years a president at Frontier, he had drastically pared the regional carrier's operations while building its reputation. He had just begun to do the same thing at Continental when he became embroiled in mergers, first with Western Airlines, a deal that was postponed, and then with Texas International.

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