

Stock

continued from page 17

bought out by Harken in 1986, after which he joined his father's presidential campaign and then invested in the Texas Rangers.

In addition to a seat on Harken's board of directors, Bush collects a \$50,000-a-year salary as a consultant to the company.

Other officials at Harken, headquartered in Grand Prairie, have high praise for Bush and say that his decision to sell most of his stock will not affect his standing in the company.

"George is a very straight arrow type of individual," said fellow board member Stuart Watson. "His decisions have been good ones, and he is a very valuable individual on the board."

Mikel Faulkner, president and chairman of Harken, expressed similar sentiments while refusing to discuss details of Bush's insider deal or the delinquent SEC disclosure.

"He's a good guy, and he gets abused from time to time because he is the son of the president," Faulkner said.

The SEC disclosure requirement is intended to prevent investors with inside information about a company from enjoy-

ing an unfair market advantage over outside investors.

Advanced notice of a insider deal must be in the mail at least concurrent with the execution of the deal. Such notice from Bush arrived at the SEC on June 25 last year — two days after the Harken stock was sold.

Formal disclosure that an insider deal has occurred then must be filed within 10 days. In Bush's case, the SEC did not post such notice until March 4 of this year.

The broker listed in the documents, California-based Sutro & Co., declined to discuss the transaction.

Since Bush sold his stock for \$4 a share, Harken has spun off two significant operations as separate companies, and the stock of the parent company has declined. It has traded as low as \$1.25 a share and currently is holding at more than \$3 a share.

Last month, Harken posted first-quarter losses of \$1.6 million on revenue of \$2.8 million, down 44 percent.

New York oil industry analyst David Loomis said that although he does not know why Bush chose to unload so much of his stock last year, the maneuver was wise.

Loomis said he personally does not have much confidence in Harken management, adding that the only real appeal of the company is an exploration endeavor underway in Bahrain — a joint venture with the Bass brothers of Fort Worth.

"He made a good move," Loomis said. "I think there's reason to be concerned about the outlook."

Other investors, however, said they remain bullish about Harken's future and do not plan to follow Bush's lead in selling stock.

Harvard University, for example, has amassed about 10 million shares of Harken stock, taking control of about 30 percent of the company. Two board seats currently are held by Harvard representatives.

Bush vowed to hold onto his remaining Harken stock and to remain active within the company. The Texas Rangers, he said, represents his only other source of income.

"I fully plan to stay involved," he said. "I got a lot of stock, and I hope it does well."