

# Bank says it hasn't taken over cannery

By LANE WALLACE  
and ELIZABETH SCHILLING  
STAFF WRITERS

A spokesman for Wells Fargo Bank said today "nothing has happened" in the bank's arrangement with Watsonville Canning and Frozen Food Co., amid reports of a power struggle that gets to the heart of the company's financial future.

According to four separate food-industry sources, Smiley Verduzco, the company's No. 2 man, is leading a move, with the aid of growers, to wrest control of the financially troubled company from owner Mort Console.

Verduzco reportedly has the support of some key people at the firm, including company president Ron Trine, who is a step below Verduzco in the corporate structure.

If there is such a "palace revolt," it would need the support of Wells Fargo Bank, to which Watsonville Canning is heavily indebted.

"Any comment will have to come from the company," said Roger Cruzen, Wells Fargo's spokesman in San Francisco. If the bank were to take over operations of the company, it would have to file legal papers at the Santa Cruz County Recorder's Office, and as of late this morning, no such papers had been filed.

Three months ago, Console pledged several personal land holdings as collateral for loans to keep the company afloat.

Agreements to pay off debts in installments were made to

several major growers, and it appeared the company was on the way back to solvency, until the latest reports began to surface.

According to one industry source, a major discharge of office workers, upper management and sales personnel might occur today. Neither Console nor Verduzco had any response to that report. Verduzco, Console, and Trine were meeting together this morning, and could not be reached.

On Friday, workers at the corporate offices on Penny Lane were told to report to work on Monday.

At the plant on Ford Street, about 25 employees, not counting supervisors, showed up for work this morning. That's five to eight more than the average work force last week. The low number of workers is normal for the winter, when few crops are being harvested.

Console has met twice this month with Sergio Lopez, head of the local Teamsters union, which has been on strike against Watsonville Canning for 16 months.

They have talked in general terms about ending the strike; another meeting is planned for Wednesday.

"I'm having a difficult time understanding the most recent events," Lopez said this morning.

"Our position hasn't changed since day one. No matter who is running the plant, there's no way for the company to get back on its feet without our people," Lopez said.