

# Deal would buy out preferred shareholders

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A proposed settlement deal between Cobb EMC, Cobb Energy and the customers suing both companies would require Cobb EMC to make Cobb Energy's preferred stockholders whole by buying them out. The company has never released a list of those 155 stockholders, but a partial accounting has emerged in court. Cobb Energy's preferred stock costs \$25 per share, a value that doesn't change. Until 2002, only a lender owned it. Since then, company employees, executives, allies and consultants bought the stock, which pays quarterly dividends. According to court records, the biggest owners of Cobb Energy's dividend-paying stock are:

> DWIGHT BROWN, CEO of Cobb EMC and Cobb Energy, and his wife, Mary Ellen.

Amount: 120,000 shares

Price: \$3 million, purchased with an interest-free loan from both companies which is gradually being forgiven.

Annual dividend: \$265,500

> ANIS SHERALI, CEO of Energy Consulting Group, which buys power on behalf of Cobb EMC, and a business partner of Brown's in a land development in Mississippi.

Amount: 53,400 shares

Price: \$1.3 million

Annual dividend: \$118,147

> LEE McKINSTRY, retired utility supply executive and Cobb Energy board member.

Amount: 40,000

Price: \$1 million

Annual dividend: \$88,500

> DEAN ALFORD, CEO of Allied Utility, a Cobb Energy affiliate, and a business partner of Brown's in Mississippi land development.

Amount: 30,000 shares

Price: \$750,000

Annual Dividend: \$66,375

> BOB ELSBERRY, retired Cobb Energy community affairs executive.

Amount: 12,044 shares

Price: \$301,106

Annual dividend: \$26,648

> LONNIE HALE, executive vice president Cobb Energy.

Amount: 7,017 shares

Price: \$175,428

Annual dividend: \$15,525

The court filing said an additional 17 stockholders own at least 2,000 shares, or \$50,000 in stock, apiece, but does not list those owners. Three Cobb EMC board members also bought Cobb Energy stock. They are Chairman Larry Chadwick, Frank Boone and the late Carl Hames. No board members own the stock now.