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Thomas Evans, 86, a Takeover Expert, Dies

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Thomas Mellon Evans Sr., a financier who was one of Wall Street's most feared corporate raiders in the 1950's and 1960's and later the breeder of champion thoroughbred horses, including a Kentucky Derby winner, died yesterday at his home in Manhattan. He was 86.

The cause of death was complications from a recent fall, said his secretary, Pamela McKay.

Mr. Evans, who was also a philanthropist, earned fame and fortune as a master of mergers and acquisitions, an asset stripper whose takeover tactics were a forerunner of those employed by many of the leveraged buyout artists of the 1980's.

During the days when Wall Street was as boring as a gray flannel suit, Mr. Evans was one of its more daring and rapacious characters, waging waves of takeover battles. Sometimes, he was victorious, as with the Crane Company, and a cement maker, the Medusa Corporation. Sometimes, he was defeated, as he was with Anaconda and Westinghouse Air Brake.

After shutting down several companies in New Jersey in the 1960's, a Democratic Congressman there, Representative Frank Thompson Jr., called Mr. Evans "the corporate embodiment of Jaws, the great white shark."

More often, though, he was called a financial genius.

"He was never really an operator; he was a financial guy -- a balance sheet buyer," one of his sons, Robert Sheldon Evans, told Forbes magazine in 1995. "He would buy something for less than book value and figure the worst that could happen was he would liquidate it and come out O.K. What he didn't want to do was lose money on the deal. If he knew his downside was covered, then he figured the upside would probably take care of itself.

"It was a very shrewd policy in the 50's and 60's, when there were highly inefficient markets: buying undervalued assets, running them for cash and selling off pieces. The 80's leveraged buyout guys were just taking a lot of his deals to their logical extension."

A native of Pittsburgh, Mr. Evans began his financial career at the bottom, despite his gilded middle name; his grandmother's first cousin was Andrew Mellon, the famous banker. After graduating from Yale University in 1931, Mr. Evans landed a $100-a-month clerk's job at Gulf Oil, then owned by the Mellon family. He invested shrewdly, and along with a small inheritance, bought bonds in a troubled steam locomotive manufacturer, H. K. Porter.

The company eventually went bankrupt and in 1939, when it was reorganized, Mr. Evans, as its largest bondholder, became its president. H. K. Porter did well during the next decade, diversifying into steel, construction material and hardware.

Later, in 1959, he won a bitter proxy fight and acquired the Crane Company, which traded mainly in plumbing supplies and became a conglomerate consuming some 30 other concerns captured by Mr. Evans. For a time, he also owned his own stock brokerage company, Evans & Company, to save fees on transactions.

Known for his candor and cantankerousness, Mr. Evans even battled in the board room with his sons. In 1994, for example, he backed a leveraged buyout of the Crane Company by outsiders to keep Robert Evans from taking control of the company. The board, however, sided with his son, and the senior Evans sold what was left of his shares back to Crane.

Similar treatment also befell Robert's older brother, Edward. In the late 1970's, Edward ran H. K. Porter, which had grown into a conglomerate of businesses bought by Mr. Evans. That group of businesses included a stake in Macmillan, the publisher. Edward Evans moved to Macmillan after being dismissed from H. K. Porter. His father, irritated by the move, impulsively demanded that Macmillan buy out H. K. Porter's shares in the company. It did, for about $50 million. Unfortunately, afterward, Macmillan was bought by the rogue financier Robert Maxwell for an amount that would have netted Mr. Evans about $500 million.

Patience, however, was never a virtue of Mr. Evans. He did, though, spend his last years on a farm in Virginia, breeding horses, a pastoral pursuit he entered decades earlier for pleasure rather than profit. In 1956, he bought a 495-acre Gainesville, Va., cattle ranch from the owners of Gallagher's Steak House in New York. He switched the ranch, Buckland Farm, from Black Angus to thoroughbreds in 1964.

He also owned a 360-acre farm in Lexington, Ky., and bred many horses over the next four decades, including Pleasant Colony, winner of the 1981 Kentucky Derby and Preakness Stakes. Although he raced dozens of other stakes winners, Mr. Evans said the 1981 Derby was the most *exciting moment in racing.*

Pleasant Colony also won the Wood Memorial and the Woodward Stakes in 1981, and was honored with the Eclipse award as the nation's top 3-year-old that year. He was the first of three champions to be ridden by jockeys wearing the Buckland Farm silks of dark blue with a white triangle and white sleeves. A decade later, Pleasant Stage won the 2-year-old filly championship after winning the Breeders' Cup Juvenile Fillies race at Churchill Downs in 1991, and the following year Pleasant Tap was voted top older horse, having won the Suburban Handicap and the Jockey Club Gold Cup at Belmont Park and finishing second in the Breeders' Cup Classic.

Among Mr. Evans's other stakes winners were Dance Colony, winner of the 1989 Adirondack Stakes at Saratoga; Stage Colony, winner of the 1991 Fort Marcy Handicap at Belmont Park, and Cherokee Colony, winner of the 1988 Flamingo Stakes at Hialeah. His trainers included Leroy Jolley, John Campo, Christopher Speckert and Angel Cordero Jr., the former jockey.

A member of the Jockey Club, the Thoroughbred Breeders and Owners Association and the Virginia Thoroughbred Association, Mr. Evans was also a member of the Board of Directors of the National Museum of Racing and Hall of Fame in Saratoga Springs, N.Y. In 1981, along with Mr. and Mrs. Bertram Firestone, he received the award as the year's outstanding breeder as voted by the New York Turf Writers Association. Besides his work with thoroughbreds, Mr. Evans was active in numerous charities and arts organizations including the National Gallery, the National Portrait Gallery, New York University Hospital and Carnegie-Mellon University.

He is survived by his third wife, Betty Barton Evans; three sons, Thomas Jr. of Vermont, Edward of Manhattan and Robert of Greenwich, Conn.; four grandchildren, and two stepchildren.