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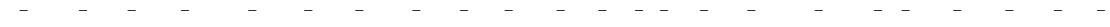
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[22104013]

Although Mr. Wolf and John Pope , UAL 's chief financial officer , stood to pocket \$ 114.3 million for stock and options in the buy-out , UAL executives planned to reinvest only \$ 15 million in the new company .

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The blue-collar machinists , longtime rivals of the white-collar pilots , say the buyout would load the company with debt and weaken its finances .

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Confusion about the two banks ' hurried efforts to round up financing for a new bid that the UAL board has n't even seen yet helped send UAL stock spiraling downward .

[22104016]

And rumors of forced selling by takeover-stock traders triggered a 25-point dowdraft in the Dow Jones Industrial Average around 11:15 a.m. EDT yesterday .

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Yesterday 's selling began after a Japanese news agency reported that Japanese banks , which balked at the first bid , were ready to reject a revised version at around \$ 250 a share , or \$ 5.65 billion .

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Citicorp , for example , said only that it had " expressions of interest of a transaction from both the borrowers and the banks . " but did n't have an agreement .

[22104020]

Late in the day , Mr. Wolf issued a onepage statement calling Mr. Peterpaul 's blast " divisive and uncalled for . "

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Meanwhile , in another sign that a new bid is n't imminent , it was learned that the UAL board held a telephone meeting Monday to hear an update on the situation , but that a formal board meeting is n't likely to be convened until early next week .

[22104025]

The effort to revive the bid was complicated by the unwieldy nature of the three-party buying group .

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The pilots were meeting outside Chicago yesterday .

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But British Air , which was to have supplied \$ 750 million out of \$ 965 million in equity financing , apparently was n't involved in the second proposal and could well reject it even if banks obtain financing .

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The machinists also asked for an investigation by the Securities and Exchange Commission into possible securities-law violations in the original bid for UAL by Mr. Davis , as well as in the response by UAL .

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Last week , just before the bank commitments were due , the union asked the U.S. Labor Department to study whether the bid violated legal standards of fairness governing employee investment funds .

[22104033]

The huge drop in UAL stock prompted one takeover stock trader , George Kellner , managing partner of Kellner , DiLeo & Co. , to deny publicly rumors that his firm was going out of business .

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Mr. Kellner said that despite losses on UAL stock , his firm 's health is " excellent " .

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The stock 's decline also has left the UAL board in a quandary .

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Although it may not be legally obligated to sell the company if the buy-out group ca n't revive its bid , it may have to explore alternatives if the buyers come back with a bid much lower than the group 's original \$ 300-a-share proposal .

[22104038]

The takeover-stock traders were hoping that Mr. Davis or one of the other interested parties might re-emerge with the situation in disarray , or that the board might consider a recapitalization .

[22104039]

Meanwhile , Japanese bankers said they were still hesitant about accepting Citicorp 's latest proposal .