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American Fights for Vacuum Tubes

By Carl Schreck
Staff Writer

The American who created the legendary Big Muff guitar pedal is accusing a Russian real estate firm of trying to bully him out of his factory in Saratov.

The outcome of the case could have major repercussions for international rock stars and makers of musical equipment.

Mike Matthews, a New York-based sound-effects designer whose company Eletro-Harmonix shot to fame in the early 1970s with the Big Muff, has complained to Saratov anti-monopoly officials that Russian Business Estate was moving to cut off the factory's utilities after he rejected an offer to sell out cheap.

The real estate company, in turn, is accusing Matthews of fabricating his complaint rather than conducting "standard business negotiations."

The Saratov regional branch of the Federal Anti-Monopoly Service said it would consider Matthews' complaint on Dec. 14.

Hanging in the balance is the fate of one of the few factories in the world that still produces vacuum tubes, a widely used component in guitar amplifiers that is treasured by amateur and professional musicians for sound quality that they consider superior to newer and cheaper analogous technology.

There is little disagreement between the two sides over the facts at the heart of the feud, which is reminiscent of the property disputes of the chaotic 1990s. On Nov. 7, Russian Business Estate deputy head Andrei Malikov offered to buy ExpoPUL, a wholly owned subsidiary of Matthews' New York-based company New Sensor Corp., for \$400,000. Matthews quickly declined, noting that the offer was less than what he had paid for the Reflektor factory when he bought it seven years earlier.

Four days later, ExpoPUL director Vladimir Chinchikov received a notice from power company Refenergo that utilities would be cut off to the factory starting Jan. 1 due to technical limitations and a "large amount of disputes" between the two companies, according to a copy of the notice. Refenergo is a subsidiary of Russian Business Estate, or RBE.

Matthews smelled extortion, "and I don't give in to extortion," he said by telephone from New York.

RBE spokesman Dmitry Begun said the power had to be cut because Refenergo equipment was in dire need of repair.

Chinchikov challenged that assertion.

The Reflektor factory was built in 1953 to produce vacuum tubes for military and civilian use, including in radios and televisions, said Chinchikov, who has worked at the plant for 43 years. By the mid-1960s, it was churning out millions of the devices, which resemble light bulbs.

By that time, however, the rest of the world was moving on to more modern technology, and the vacuum tube was widely replaced by solid-state transistors. While transistors were more efficient -- it often took several seconds for a picture to appear on the screen of a tube television, for example -- rock musicians preferred tube amplifiers, which are widely considered to provide a warmer sound.

"It's hard to describe the difference," Billy Gould, bassist for rock band Faith No More, said by telephone from California. "It's like the difference between drinking regular and low-fat milk. Tubes are like fat. Fat, greasy fun."

With few factories still producing vacuum tubes in the 1980s, Matthews began importing Reflektor tubes in 1988, and he bought the plant for \$500,000 a decade later. New Sensor Corp. expects around \$17.4 million in sales this year, more than half from tube sales.

"It would be a crushing blow to musicians and rock-and-roll tone if ExpoPUL vanished," Matthews said.

The U.S. Embassy said it was working with Matthews to resolve the dispute.

RBE, which is based in Samara, has been snapping up real estate in Saratov, and people affiliated with the company are currently trying to buy out shareholders of Saratov River Transport Co., RBE said.

The shareholders have made complaints about RBE's tactics that echo Matthews'. "How these outsiders work inspires extreme antagonism," Igor Zubatov, deputy head of the transport company, told Gudok, a railroad trade paper, in July.

Zubatov said that people associated with RBE approached him in April with the "surprising offer" to invest shareholders' own funds in the river port or sell the business.

"We declined and prepared for difficulties," he said. "Judging by the experience of other Saratov companies, we know that everything begins with such statements."

Begun, the RBE spokesman, said the company's acquisitions were completely within the law and that Saratov businessmen were simply spooked by its expanding presence. RBE is owned by a group of Samara businessmen.

Begun said RBE wanted the space Matthews' company occupies in the Reflektor industrial complex -- where RBE owns 10 other companies -- to gain total control of the complex and fill it with projects related to the entertainment industry, among other things.

"With the right price, Mr. Matthews can move his operations someplace else," Begun said.

Matthews said he would consider selling the plant for \$15 million; the delivery of \$25 million of tubes over five years, to be paid with at current rates; and an option to increase the quantity during that period.

Cutting off the electricity, however, would mean "the factory dies," he said. The factory employs about 830 people.

According to Matthews, only two other factories in the world are still mass-producing vacuum tubes.

Amplifier industry heavyweights such as Fender, Peavey and Korg, among others, would be scrambling to find a supplier that provides the quality and consistency of ExpoPUL's tubes should operations cease, said Nick Guppy, an amp reviewer for the British guitar magazine *Guitarist*. "It would cause a lot of sleepless nights," Guppy said. "Guitar players probably won't notice until they can't find tube amps."