

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **1998-07-22**
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SUBJECT COMPANY

ENVIRODYNE INDUSTRIES INC

CIK: **33073** | IRS No.: **952677354** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-07886** | Film No.: **98669811**
SIC: **3089** Plastics products, nec

Business Address
701 HARGER ROAD STE 190
OAK BROOK IL 60521
6305718800

FILED BY

ZAPATA CORP

CIK: **109177** | IRS No.: **741339132** | State of Incorporation: **DE** | Fiscal Year End: **0930**
Type: **SC 13D/A**
SIC: **2070** Fats & oils

Mailing Address
1717 ST JAMES PLACE
P.O. BOX 4240 SUITE 550
HOUSTON TX 77210-4240

Business Address
1717 ST. JAMES PL STE 550
P.O. BOX 4240
HOUSTON TX 77056
7139406100

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 11)

ENVIRODYNE INDUSTRIES, INC.
(Name of Issuer)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

294037205
(CUSIP Number)

Avram Glazer
Chief Executive Officer and President
ZAPATA CORPORATION
1717 St. James Place, Suite
Houston, Texas

(713) 940-6100
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

July 12, 1998
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b) (3) or (4), check the following box [].

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

INTRODUCTORY NOTE.

This Amendment No. 11 to Schedule 13D is being filed on behalf of Zapata Corporation, a Delaware corporation ("Zapata"), to supplement certain information set forth in the Schedule 13D relating to securities of Envirodyne Industries, Inc. (the "Issuer") originally filed by Zapata on August 17, 1995, as amended by Amendments No. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 to Schedule 13D filed on June 21, 1996, March 10, 1997, March 31, 1997, April 18, 1997, April 23, 1997, April 29, 1997, May 14, 1997, May 16, 1997 and August 27, 1997.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer

On July 9, 1998, the Issuer, Zapata and Messrs. Malcolm Glazer and Avram Glazer (the "Glazers") entered into a letter agreement ("July 9th Agreement") pursuant to which the Issuer's Board of Directors agreed to use all reasonable efforts to cause the Glazers to be elected to the Issuer's Board of Directors at the Issuer's 1998 Annual Meeting which is scheduled for August 27, 1998. In addition, the Issuer agreed in the July 9th Agreement to immediately expand the size of its entire Board of Directors from five to six directors so that the Glazers, upon their election, would constitute two out of the Issuer's six directors. In consideration for the Issuer's undertakings, Zapata and the Glazers agreed in the July 9th Agreement, until the earlier of one year from the date thereof or the date on which Zapata owns more than 50% of the Issuer's outstanding shares of Common Stock, to (a) cause all Issuer shares beneficially owned by them to be voted for the director candidates nominated by the Issuer's Board, (b) refrain from assisting another person in their efforts to be elected to the Issuer's Board and (c) refrain from any action to change the membership of the Issuer's Board.

On July 9, 1998, the Issuer announced that it had increased the size of its Board of Directors from five directors to six directors.

A copy of the July 9th Agreement is annexed hereto as Exhibit 1 and is incorporated herein by reference. The above description is qualified in its entirety by reference to such letter agreement.

ITEM 7. Materials to be Filed as Exhibits

<TABLE>

<CAPTION>

Exhibit Number

Document Description

<S>

<C>

1

Letter Agreement dated
July 9, 1998 among Envirodyne
Industries, Inc., Zapata

</TABLE>

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After reasonable inquiry and to the best of the undersigned's knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: July 21, 1998

ZAPATA CORPORATION

By: /s/ Avram Glazer

Name: Avram Glazer

Title: Chief Executive Officer and President

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EXHIBIT INDEX

<TABLE>

<CAPTION>

Exhibit Number

Document Description

<S>

<C>

1

Letter Agreement dated
July 9, 1998 among Envirodyne
Industries, Inc., Zapata
Corporation, Malcolm Glazer and
Avram Glazer

</TABLE>

July 9, 1998

Board of Directors
Envirodyne Industries, Inc.
701 Harger Road, Suite 190
Oak Brook, Illinois 60523

Gentlemen:

You have agreed to nominate, and to use all reasonable efforts to elect, Messrs. Malcolm I. Glazer and Avram A. Glazer (the "Glazers") to the Envirodyne Industries, Inc. ("Envirodyne") Board of Directors at Envirodyne's 1998 Annual Meeting, which is scheduled for August 27, 1998. You have also agreed to increase the size of the entire Board to six directors so that, upon their election, the Glazers will constitute two out of Envirodyne's six directors.

In the event that either of the Glazers are unable or unwilling to serve on the Board at any time while the Restricted Activities (defined below) are in effect, then, upon their resignation or departure from the Board and so long as Zapata continues to hold at least 20% of Envirodyne common stock, you have agreed to promptly take all actions necessary to elect to the Board a successor designated by Zapata Corporation ("Zapata") and reasonably acceptable to the Board.

In consideration of the foregoing, until the earlier of one (1) year from the date hereof or the date on which Zapata owns (of record or beneficially) more than 50% of the then outstanding shares of common stock of Envirodyne, Zapata and the Glazers each agree (a) to cause all shares of Envirodyne common stock beneficially owned by it or him to be voted for the director candidates nominated by the Board (assuming such candidates include the Glazers), (b) not to take any action to assist any other individuals attempting to be elected directors of Envirodyne and (c) not to take any action to change the membership of the Board (collectively, the "Restricted Activities").

This agreement shall be construed and enforced in accordance with the laws of the State of Delaware.

Very truly yours,

ZAPATA CORPORATION

By: /s/ Avram Glazer

Name: Avram Glazer
Title: Chief Executive Officer and President

/s/ Malcolm I. Glazer

Malcolm I. Glazer

/s/ Avram A. Glazer

Avram A. Glazer

Accepted and Agreed

ENVIRODYNE INDUSTRIES, INC.

By: /s/ F. Edward Gustafson

Name: F. Edward Gustafson
Title: Chairman of the Board

Dated: July 9, 1998