

WEEKLY UPDATE REPORT

Issue of March 19, 2001

At Press Time

Lucent Technologies Inc. reported that it will consider putting its fiberoptic-cable unit in Atlanta, Ga. on the selling block. The Murray Hill, N.J. maker of telecommunications equipment, which has been wrestling with losses and sagging under debt, could fetch between \$4 billion and \$8 billion by selling the unit. Proceeds could be used to cut its debtload, \$5 billion of which matures within the next year. The unit under consideration, called Optical Fiber Solutions, had sales last year of \$2 billion. In other recent moves to cut costs and focus on its core operations, Lucent, which also hopes to raise as much as \$7 billion by spinning off its Agere unit, has said it would slash its payroll by 10,000 employees.

Northwest Airlines Corp., following a pattern among the nation's carriers, has lowered its expectations for its first quarter and full-year results. The Eagan, Mn.-based airline said its loss in the first quarter could reach \$150 million, not including extra charges. The company, the fourth-biggest airline in the U.S., blamed the slowing economy and a decline in business travel. Northwest, which has also seen weakening business on its European routes, is also facing a possible strike by its mechanics in the spring.

The Economic Outlook

The Labor Department reported that **labor productivity** increased 2.2% in the fourth quarter. For the whole year productivity increased 4.3%, the largest increase in seventeen years.

The National Association of Realtors reported that **sales of existing homes** increased 3.8% in January. This revises an earlier estimate of a 6.6% decline in existing-home sales.

The Federal Reserve reported that **consumer borrowing** increased by \$16 billion in January. Together with a \$7.2 billion jump in December, this brings total consumer debt to \$1.5 trillion.

According to the Goldman, Sachs retail composite index, **same-store sales at the nation's large retailers** increased 1.6% in February. The compares with a 3.4% increase in January and a 5.1% increase in February of 2000. According to another measure by Lehman Brothers of twenty-two big retailers, same-store sales increased 3.9%. According to the Commerce Department's figures, retail sales declined 0.2% in February--to \$275 billion. This follows an 11.1% increase in January.

Notes for Business Executives

Bankruptcy Reform Could Cause

A Rise in Filings

NOTE 1744: Under the bankruptcy-reform legislation currently under consideration in the U.S. Congress, the strategy is to reduce the alleged abuse of the system by consumers who file in order to escape bills they can actually pay. However, according to one recent investigation, the short-term effect may be not a decline but rather a significant jump in consumer bankruptcy filings. If consumers feel that filing for bankruptcy protection will become more difficult after the legislation passes, many may choose to file in advance. In fact, that may be taking place already. Although consumer bankruptcy filings declined 5% last year, it is believed that consumer bankruptcy filings have jumped 20% in the first two months of 2001. For a free copy of an article about the possible effects of bankruptcy-reform legislation before it even gets passed call 800-407-9044.

BANKRUPTCIES

AboveTrade.com Inc., Palo Alto, Ca., has now filed Chapter 7 in the U.S. Bankruptcy Court in San Francisco. No schedules were listed in the filing.

A 5/17 deadline has been set for filing proof of claims in the **Allied Products Corp.** Chapter 11 bankruptcy. For further information contact the debtor's attorney, Steven Towbin, at 312-602-2000.

Amer Reefer has now filed Chapter 11 in the U.S. Bankruptcy Court in Manhattan, N.Y. along with seven of its subsidiaries.

Benz Energy Inc. has now received approval from the U.S. Bankruptcy Court in Tyler, Tx. to convert its Chapter 11 filing to a Chapter 7 liquidation. Benz, a Houston, Tx. oil and gas company, filed for bankruptcy protection last November along with its Texstar Petroleum Inc. subsidiary after it defaulted on a \$25 million credit facility. According to the firm's liquidation plans, Benz's creditors will essentially lose their claims.

Bibelot, a Baltimore, Md. bookstore chain, has now filed Chapter 11 as part of a plan to cease operations and liquidate. The filing was made under the name **Bloomsbury Group Inc.** in the U.S. Bankruptcy Court in Baltimore. The firm, which had been under competitive pressure from the big national chains, listed assets of \$15 million and liabilities of between \$15 million and \$20 million in its filing.

Cafe Soleil Partnership Ltd., San Antonio, Tx., has now filed Chapter 7 in the U.S. Bankruptcy Court in San Antonio. The firm listed assets and liabilities of \$500,000 and \$1.5 million respectively. The case number is 01-50582.

A 3/22 hearing has been scheduled regarding the sale of certain assets in the **Caldor Inc.** Chapter 11 bankruptcy. For further information contact the debtor's attorney, Edmund Emrich, at 212-836-8000.

California Power Exchange, a Pasadena, Ca. electricity-auction market, has now filed Chapter 11 in the U.S. Bankruptcy Court for the Central District of California. The company, which had

been set up in 1998 to help smooth energy deregulation in the state, shut down operations at the end of January when California's financially strapped utilities stopped making payments.

Converse Inc., the bankrupt North Reading, Ma. maker of athletic shoes, has now agreed to sell its assets to Footwear Acquisition LLC in a deal valued at \$117 million.

Drypers Corp., a bankrupt Houston, Tx. maker of baby diapers, has received approval from the U.S. Bankruptcy Court in Houston to extend its exclusivity period for filing a reorganization plan until 7/7.

E-Zone Networks Inc., Napa, Ca., has now filed Chapter 7 in the U.S. Bankruptcy Court in San Francisco. No schedules were listed in the filing. The case number is 01- 30261.

Fas Mart Convenience Stores Inc. of Richmond, Va., in an attempt to restructure its debtload, has now filed Chapter 11. Fas Mart, which said that its more than 170 convenience stores will remain operating, has reportedly been hurt by declining margins in the gasoline-retailing end of its business.

FBR-C-Stores LLC, Batesville, Mn., has now filed Chapter 7 in the U.S. Bankruptcy Court for the Northern District of Mississippi. No schedules were listed in the filing. The case number is 01-11008. .

Feimster Amusements Inc., Statesville, N.C., has now filed Chapter 11 in the U.S. Bankruptcy Court in Charlotte. The company listed liabilities of between \$1 million and \$10 million. No assets were listed. The case number is 01-50301.

Golf LLC, an owner and operator of golf courses in the Omaha, Ne. area, has now filed Chapter 11. The company cited the downturn in the economy for its problems.

GS Industries Inc., a Charlotte, N.C. firm which recently filed Chapter 11, has entered into a \$100 million credit facility with CIT Business Credit of New York. The money will help GS industries continue operating during its reorganization, which, among other things, calls for the closure of its GST Steel facility in Kansas City, Mo. GS Industries, which filed for bankruptcy protection in the U.S. Bankruptcy Court for the Western District of North Carolina, has estimated its assets and liabilities at more than \$100 million each.

High Desert Millwork Inc., Bend, Or., has now filed Chapter 7 in the U.S. Bankruptcy Court in Portland. No schedules were listed in the filing. The case number is 01-30703.

Imperial Home Decor Group Inc. could be seeing the light at the end of the tunnel of its Chapter 11 reorganization, now believing that creditors will approve its reorganization plan. The Beachwood, Oh. wallpaper maker has reduced its payroll by 600 employees to cut costs and has spiffed up its product offerings in order to boost sales. The company has also worked to improve the efficiency of its distribution operations, spending \$84 million on its Knoxville, Tn. center, which distributes Imperial's products to 60% of customers overnight throughout North America. For a free copy of an article about Imperial's reorganization efforts call 800-407-9044.

Living Center of Canoga Park Inc. in Canoga Park, Ca., which does business as Canoga Care Center, has now filed Chapter 11. No schedules were listed in the filing. The case number is SV01-11094-AG. For further information contact the debtor's attorney, Peter Steinberg, at 310-451-9714.

Main Street Electric Ltd., Cleveland, Oh., has now filed Chapter 7 in the U.S. Bankruptcy Court in Cleveland. The company listed assets of between \$500,000 and \$1 million each. The case number is 01-11023.

Malta B.G. Inc. in Malta, N.Y., which does business as **Bishop's Gate**, has now filed Chapter 11 in the U.S. Bankruptcy Court in Albany. The firm listed assets of only \$3,900 and liabilities of nearly \$1.3 million. The case number is 01-10817.

Master Printers Northwest Inc., Seattle, Wa., has now filed Chapter 11 in the U.S. Bankruptcy Court in Seattle. No schedules were listed in the filing. The case number is 01-11244.

MicroAge Inc., a bankrupt Tempe, Az. provider of information-technology products, has received approval from the U.S. Bankruptcy Court in Phoenix to extend its exclusivity period for filing a reorganization plan until 3/31.

Monterey Family Practice Medical Center, Monterey, Ca., has now filed Chapter 11. No schedules were listed in the filing.

Morris Material Handling Inc., which recently filed Chapter 11, announced the completion of the sale of its hoist, crane, service, parts and training businesses in the United Kingdom, Southeast Asia and the Middle East to a group of Morris Material managers. The terms of the deal were not revealed.

MyTurn.com Inc., an Alameda, Ca. provider of Internet services, has now filed Chapter 11 in the U.S. Bankruptcy Court for the Northern District of California. The company, after failing to raise additional financing, recently laid off nearly all of its more than 100 employees.

National-Venture-ES, Los Gatos, Ca., has now filed Chapter 11. The firm listed liabilities of between \$500,000 and \$1 million. No assets were listed in the filing.

O'Neal Marketing & Communications, Southfield, Mi., has now filed Chapter 7 in the U.S. Bankruptcy Court in Detroit. No schedules were listed in the filing.

Owens Corning, the bankrupt Toledo, Oh. maker of building products, said that it will ask the U.S. Bankruptcy Court for approval of its employee-compensation plan.

Paul Harris Stores Inc., the bankrupt Indianapolis, In. women's-clothing retailer which recently said it would shut its remaining 166 stores, said that it expects to present its liquidation plan in the next forty-five days.

Paul Pacific Plumbing Corp., South El Monte, Ca., has now filed Chapter 7 in the U.S. Bankruptcy Court in Los Angeles. The firm listed assets of only \$39,000 and liabilities of \$1.3 million. The case number is LA01-12932-KM. For further information contact the debtor's attorney, Robert Rubin, at 310-828-7400.

Pergament Home Centers Inc. has now received approval from the U.S. Bankruptcy Court to liquidate its inventory and close its stores. The firm recently filed Chapter 11 in the U.S. Bankruptcy Court in Central Islip, N.Y. listing assets and liabilities of \$102 million and \$134 million respectively.

Pittsburgh Food & Beverage Co. of Pittsburgh, Pa. recently saw an involuntary Chapter 11 bankruptcy petition filed against it by PNC Bank. PNC alleges that it discovered a fraud of more than \$30 million in the checking accounts of the company. The bank believes it can keep a better eye on Pittsburgh Food's finances under supervision of the U.S. Bankruptcy Court.

River City Transportation Services Co. Inc., Bloomington, Mn., has now filed Chapter 11 in the U.S. Bankruptcy Court in Minneapolis. No schedules were listed in the filing. The case number is 01-40599.

Shelby Avionics Inc., Cordova, Tn., has now filed Chapter 7 in the U.S. Bankruptcy Court for the Western District of Tennessee. No schedules were listed in the filing. The case number is 01-22865.

Sierra Rockies Corp. in Calabasas, Ca., which does business as Gallery Rodeo International, has now filed Chapter 11. The firm listed assets of only \$4,000 and liabilities of more than \$9.6 million. The case number is SV01-10862-GM. For further information contact the debtor's attorney, Martin Brill, at 310-229-1234.

Southeast Aggregates Inc., Tickfaw, La., filed Chapter 11 in the U.S. Bankruptcy Court for the Eastern District of Louisiana. No schedules were listed in the filing.

Star Telecommunications Inc., a Santa Barbara, Ca. provider of telecommunications services, has now filed Chapter 11. The filing, made in the U.S. Bankruptcy Court in Delaware, listed assets and liabilities of \$630 million and \$285 million respectively. Three of its units, PT-1 Long Distance Inc., PT-1 Technologies Inc. and PT-1 Communications also filed Chapter 11 in separate petitions in the U.S. Bankruptcy Court for the Eastern District of New York. Star has faced a spate of woes, including the cancellation of a factoring arrangement with RFC Capital Corp. and the collapse of a deal to be bought by World Access Inc. of Atlanta, Ga. Trading of Star Telecommunications' shares has been halted on the Nasdaq Stock Market and its executive management team have resigned.

Stranahan Industries, Lake George, N.Y., has now filed Chapter 11 in the U.S. Bankruptcy Court in Albany. The firm listed assets and liabilities of \$696,000 and \$734,000 respectively. The case number is 01-10798.

A 3/29 hearing has been scheduled to consider the disclosure statement in the **Sunbeam Corp.** Chapter 11 bankruptcy. For further information contact the debtor's attorney, Harvey Miller, at 212-310-8000.

Truck South Transportation Inc., Stockbridge, Ga., has now filed Chapter 7 in the U.S. Bankruptcy Court in Northern District of Georgia. The firm listed assets and liabilities of \$282,000 and \$821,000 respectively. The case number is 01-61901.

A 3/28 hearing has been scheduled to consider confirmation of the reorganization plan in the **TSR Wireless LLC** Chapter 7 bankruptcy. For further information contact the Chapter 7 Trustee at 973-360-1100.

The U.S. Bankruptcy Court has approved AMR Corp.'s bid to buy bankrupt **Trans World Airlines** of St. Louis, Mo. for \$742 million. AMR, the parent company of American Airlines, will also assume some \$3 billion of TWA's leases. The deal, which must still be approved by the Justice Department, officially puts to bed financier Carl Icahn's offer to buy TWA for \$1.1 billion, a bid that the court wouldn't even consider. According to the AMR deal, TWA's 18,000 employees will stay on the job. Without the AMR deal, it is believed that TWA would have to liquidate. The merger makes American, based in Fort Worth, Tx., the biggest carrier in the world.

Ultimate Manufacturing Inc., Troutdale, Or., has now filed Chapter 7 in the U.S. Bankruptcy Court in Portland. No schedules were listed in the filing. The case number is 01-30816.

Ultra Stores Inc. has now filed Chapter 11 in the U.S. Bankruptcy Court for the Southern District of New York. The firm listed assets and liabilities of \$76 million and \$68 million respectively. The retailer has been hurt by the bankruptcy filing of Filene's Basement, whose stores Ultra operated jewelry departments in. Ultra operates under the names Ultra Diamond Outlet, Ultra Watch Outlet and Premier Fine Jewelry Direct.

V.H.X. Corp., Atlanta, Ga., has seen an involuntary Chapter 7 petition filed against it in the U.S. Bankruptcy Court in Northern District of Georgia. The firm listed liabilities of \$900,000. No assets were listed in the filing. The case number is 01-61940. The company also does business as **Extra Corp.** and **Virtual Health.**

Vlasic Foods International Inc., the bankrupt Cherry Hill, N.J. food company, announced plans to sell its Freshbake and SonA food businesses in Great Britain to two separate buyers for undisclosed amounts. Vlasic, which earlier agreed to sell its Vlasic pickles and Open Pit barbecue-sauce lines to H.J. Heinz Co. of Pittsburgh, Pa. for \$195 million, also reported a loss for its second quarter of \$22.2 million.

West Coast Fun and Food Inc., Aloha, Or., filed Chapter 7 in the U.S. Bankruptcy Court in Portland. No schedules were listed in the filing. The case number is 01-30814.

West Penn Hotel Development Inc., Beaver Falls, Pa., has now filed Chapter 7 in the U.S. Bankruptcy Court in Pittsburgh. No schedules were listed in the filing. The case number is 01-21429.

Worldtex Inc., as expected, has now filed Chapter 11. The filing, in the U.S. Bankruptcy Court in Delaware, is aimed at helping the Hickory, N.C. textile maker restructure its capitalization. In conjunction with the filing, Worldtex has entered into a \$40 million debtor-in-possession bank lending agreement.

Z'Strong International Inc., an El Monte, Ca. medical-equipment wholesaler and exporter, has now filed Chapter 7 in the U.S. Bankruptcy Court in Los Angeles. The firm listed assets and liabilities of \$264,000 and \$1.1 million respectively. The case number is LA01-13108-KM. For further information contact the debtor's attorney, Michael Lo, at 626-289-8838.

Computers /

Electronics

Captura Inc., a Kirkland, Wa. online-processing software company, announced that it recently laid off twenty-five employees (12% of its workforce). The company called off a \$70 million public offering in January.

Cisco Systems Inc., looking at an ongoing slowdown in business, said it will reduce its payroll by between 3,000 and 5,000 jobs (as much as 11% of its workforce) this year. The San Jose, Ca. maker of networking equipment added that it will also cut as many as 3,000 of its 4,000 contract workers in a further effort to cut costs. The restructuring will cost Cisco between \$300 million and \$400 million in extra charges, to be taken in its third and fourth quarters.

Copper Mountain Networks Inc., a manufacturer of Internet connection equipment, said that it will reduce its payroll by about one-fourth of its 450 employees as part of its restructuring efforts. The company will take charges of as much as \$7 million related to the cutbacks.

Daewoo Electronics Co., part of South Korea's Daewoo conglomerate, said that it will shutter eight of its sixty-two facilities overseas, including plants in South America and parts of the former Soviet Union. Last year, Daewoo Electronics reported a net loss of \$750 million.

Evolve, an Emeryville, Ca. provider of business software, is reducing its payroll by 10% as part of a restructuring plan aimed at speeding up its path to profitability.

Hydraweb Technologies, which makes network devices, laid off forty-five employees (nearly half of its workforce) as part of its restructuring. The firm is also moving its headquarters from Manhattan, N.Y. to Eatontown, N.J.

IMP Inc., a San Jose, Ca. maker of integrated circuits, reported a fourth quarter net loss of \$1.1 million. Its revenue increased 16%--to \$10.2 million. For the year, the firm reported a net loss of \$5.4 million on a 3% sales decline--to \$26.2 million.

Intel Corp., the Santa Clara, Ca. semiconductor maker, warned that first quarter revenue would fall short of expectations and that it would reduce its payroll by 5,000 employees (5.5% of its workforce). Staff reductions are expected to be achieved primarily through attrition. The company said that first quarter revenue would fall as much as 25% from its fourth quarter sales of \$8.7 billion. This follows an earlier warning that first quarter sales would fall about 15% below the fourth quarter's. The firm cited the slowdown in the computer industry and the weak economy overall. Intel will also reduce planned research-and-development spending by 2%, although the chip maker still intends on spending \$4.2 billion on R&D this year and investing \$7.5 billion on building manufacturing facilities.

Intercept Group Inc., a Norcross, Ga. developer of integrated electronic products, reported a fourth quarter net loss of \$10.1 million. Its revenue increased 19%--to \$18.7 million. For the year, the firm reported a net loss of \$16.9 million on a 33% increase in revenue--to \$69.6 million.

Littelfuse Inc., Des Plaines, Il., is reducing its payroll by 350 employees (9% of its workforce) in an effort to reduce costs. The maker of circuit-protection devices, citing weakness in the electronics market, also revised downward its projections, now expecting first quarter sales to fall about 22% from \$95 million in sales in last year's first quarter. The firm added that it expects weak business to extend through at least the second quarter.

LM Ericsson, the Swedish electronics giant, issued a warning that it would report a loss for its first quarter, its first quarterly loss in nine years. The company has been adapting to disappointing sales, recently announcing that it would outsource the manufacture of its mobile phones. In addition, Ericsson has also been focusing more on its growing business of building mobile networks.

Motorola Inc. is reducing the payroll at its cellular-telephone unit by another 7,000 employees. The move is in response to a glut of phones on the market as well as its attempts to cut costs. Including the recent cutbacks, which will result in unspecified charges, Motorola has cut 18,000 jobs since December (12% of its workforce). The Schaumburg, Il. firm's cell-phone operations have been battered by the faster-moving competition, including Finland's Nokia Corp., as well as by a general slowdown in the industry. Motorola recently warned that it might report a first quarter loss, which would be its first quarterly loss in sixteen years.

National Semiconductor Corp., a Santa Clara, Ca. maker of chips, reported its third quarter net declined 88%--to \$39.2 million. Its revenue declined 13%--to \$476 million. The results included an unspecified charge related to an acquisition.

Pacific Aerospace & Electronics Inc., struggling to stay alive on a high-interest \$15 million bridge loan, now believes it must sell off its Aeromet International PLC unit in the United Kingdom if it wants to keep operating. The Wenatchee, Wa.-based manufacturer bought Aeromet three years ago for \$68 million, only to find that interest payments related to the acquisition have resulted in \$13 million losses in each of the past two years, despite a doubling in revenue--to about \$113 million. If Pacific Aerospace can sell the British unit, analysts believe, it will have a reasonable chance to recover, especially if it focuses its efforts on its core operations

of making components for fuel-cell, medical-equipment and telecommunications manufacturers. For a free copy of an article about Pacific Aerospace call 800-407-9044.

Power-One Inc., a Camarillo, Ca. maker of power-supply equipment for manufacturers of electronic equipment, has been in a steady decline for a year now, following a downturn in the chip-making industry. Power-One has been particularly hurt by cutbacks in orders from its main customer, Cisco Systems Inc. of San Jose. Power-One saw profits of more than \$5 million in the quarter ended last March but that has dwindled each quarter through the period ended in December, when it reported a loss of millions of dollars. The company, which makes AC/DC converters and voltage power switches used by makers of communications equipment, has also been hurt by the general backlog of inventory which has reduced orders. For a free copy of an article about Power-One Inc. call 800-407-9044.

RightWorks Corp. of San Jose, Ca. has entered into an agreement to be purchased by I2 Technologies Inc. of Irving, Tx. in a stock deal valued at \$114 million. RightWorks's current owner, Internet Capital Group of Wayne, Pa., has spent \$36 million in trying to develop RightWorks, a procurement-software firm, and said that it will take a noncash loss of \$490 million on the sale of RightWorks to I2 Technologies.

Seagate Technology Inc. of Scotts Valley, Ca., which is owned by a group led by New SAC of the Cayman Islands, is shutting down one of its manufacturing facilities in Malaysia and laying off 4,000 employees. The move is part of the disk-drive maker's efforts to consolidate its operations.

Retailers, Restaurants,

Manufacturers of

Consumer Products

AnnTaylor Stores Corp., the Manhattan, N.Y.-based women's apparel retailer, reported its fourth quarter earnings declined 76%--to \$3.8 million. The company cited poor fashion selections as well as \$2.2 million in charges related to its president's departure. Its sales increased 16%--to \$344 million, although same-store sales declined 1.3%.

Aptimus Inc., a Seattle, Wa. online direct-marketing concern, is dumping its consumer Web operations as a result of a decline in advertising revenue. The shutdown, which will be accompanied by the loss of 160 jobs, will result in writeoffs of between \$2.2 million and \$3.5 million.

Bolder Technologies Corp., a Golden, Co. company that makes rechargeable batteries, is being investigated by the Nasdaq Stock market for possible delisting, after it fell below minimum listing requirements. In addition, the company, which also retained Ernst & Young LLP to help it explore strategic alternatives, warned that it may have to file for bankruptcy protection.

Britannica.com Inc., a Chicago, Il. digital-media division of Luxembourg-based Encyclopaedia Britannica Holding SA, is reducing its payroll by sixty-eight employees (31% of its workforce in the U.S.) as part of its restructuring. This follows 152 layoffs announced last November. The move was made to reduce costs and speed up its path to profitability. The company had hoped to generate revenue largely through advertising, but the recent downturn in the dotcom market has thrown a wrench into that strategy.

Brunswick Corp.'s plans to buy Princecraft Boats from bankrupt Outboard Marine Corp. of Waukegan, Il. have run into a snag. The Federal Trade Commission is now asking for more information about the proposed acquisition by Lake Forest, Il.-based Brunswick in order to check for possible antitrust problems.

Chris-Craft, a maker of boats, has been bought from its owner, Genmar Holdings Inc. of Minneapolis, Mn., by Stellican Ltd., an investment company, for an undisclosed amount. It's not certain whether, Chris-Craft, which shut down operations at its facility in Bradenton, Fl. last December, will restart operations in the near future.

CKE Restaurants Inc. of Anaheim, Ca. has entered into an agreement to sell its Taco Bueno unit to Jacobson Partners, a closely-held investment firm in Manhattan, N.Y., in a transaction valued at \$72.5 million. Taco Bueno is a chain of 125 fast-food restaurants in Oklahoma and Texas. CKE will use the proceeds from the sale to reduce debt and boost sales at its Hardee's operations. CKE also operates the Carl's Jr. chain of hamburger eateries.

Coleman Ace Hardware is closing two of its stores in the Cleveland, Oh. area, citing competition from the large home-improvement chains.

Cutter & Buck Inc., a Seattle, Wa. wholesaler of men's sportswear, reported a third quarter net loss of \$960,000. Its sales edged up 2%--to \$32.4 million.

Dean Foods Co., which has been acquiring companies for years, could now itself end up getting sold, as the firm has retained Goldman, Sachs & Co. to help it consider strategic alternatives. The Franklin Park, Il. dairy company, while still independent, is the second-largest dairy concern in the U.S. But its recent acquisitions might have been overly expensive and the company has struggled to integrate them into its overall operations. Dean Foods has warned that its third quarter results may fall 30% below expectations, its eighth profit warning in the past twelve quarters. Among companies that might be interested in buying Dean Foods are **Suiza Foods Corp.** of Dallas, Tx. and **Parmalat SpA**, the Italian-based food giant that is looking to expand its operations in the U.S.

Derby USA, a Kent, Wa. maker of bicycles, is closing its Raleigh bike-making operations in Kent and laying off 152 employees. Derby USA, a unit of Derby Cycle Corp., is a British company that's been operating in the red for several years.

Educational Insights Inc., a Carson, Ca. maker of educational materials, games and toys, reported a fourth quarter net loss of \$1.6 million. Its revenue declined 30%--to \$7.8 million.

E-Town, a San Francisco, Ca. online consumer-electronics company, has closed its doors and laid off its ninety employees. The company's assets have been transferred to Best Buy Inc. of Minneapolis, Mn.

Finish Line Inc., an Indianapolis, In. retailer, said that it will close seventeen of its more than 400 stores in an effort to boost profits. The closings will result in a fourth quarter pretax charge of \$19.5 million. For its most recent fiscal year, Finish Line reported sales of \$664 million, 13% over the previous year's sales.

Guess Inc., a Los Angeles, Ca. distributor and licensor of casual apparel, reported a fourth quarter net loss of \$13.1 million. The results included nonrecurring pretax charges of \$8.6 million. Its revenue increased less than 1%--to \$96 million.

Gymboree Corp., a Burlingame, Ca.-based retailer of children's apparel, reported a fourth quarter net loss of \$1.2 million. Its revenue jumped 47%--to \$153 million. For the year, the company reported a net loss of \$36.9 million on a 3% increase in sales--to \$449 million. Both the quarterly and fiscal results included extra charges of \$6.5 million.

J.C. Penney Co. has entered into an agreement to sell its direct-marketing insurance operations to Dutch insurer Aegon NV for \$1.3 billion. Penney will use part of the after-tax proceeds of \$1.1 billion to reduce \$1.7 billion of its long-term debt that comes due in the next two years. In connection with the deal, Aegon will enter a marketing alliance with the retailer that could be worth an additional \$300 million for Penney over the next fifteen years. The sale of the insurance unit will also allow the Plano, Tx. company to focus on its core but ailing retailing business. Penney, whose stock has fallen 75% over the past two years, put the insurance unit on the selling block nearly a year ago with hopes of getting \$2 billion.

Kellwood Co., a St. Louis, Mo. maker of apparel, reported a fourth quarter net loss of \$1.6 million. Its revenue increased 17%--to \$540 million.

Kit Manufacturing Co., a Long Beach, Ca. maker of recreational vehicles and manufactured homes, reported a first quarter net loss of \$870,000. Its revenue declined 38%--to \$6.8 million.

Kmart Corp., Troy, Mi., reported its fourth quarter net declined 40%--to \$249 million. The results were impacted by \$463 million in after-tax charges primarily related to revamping its stores. Kmart's sales for the quarter increased nearly 5%--to \$11.6 billion. Its same-store sales increased 2.1%.

Packaged Ice Inc., a Houston, Tx. producer of packaged goods, reported a fourth quarter net loss of \$13.1 million. Its revenue declined 7%--to \$42.6 million.

Peapod Inc., the Skokie, Il.-based grocery-delivery company, said that it will cease operating in San Francisco, Ca. Peapod, majority-owned by Royal Ahold NV of the Netherlands, is focusing on its operations in the eastern U.S.

Polaroid Corp., the Cambridge, Ma. camera and film company which earlier said it would reduce its payroll by 950 employees (11% of its workforce), said that about 475 of those layoffs would come at its operations in Massachusetts. Polaroid is hoping that its job reductions will save it \$30 million annually.

Recreational Equipment Inc., a Seattle, Wa.-based retailer of camping gear and activewear, reported a loss for its most recent fiscal year of \$11.4 million, a sharp reversal from a more than \$10 million profit last year. Its sales increased 11%--to \$698 million. In addition, as a result of expenses for developing an online operation and increasing its presence in Japan, REI's long-debt doubled over the past year--to nearly \$94 million.

Service Station Properties LLC in San Jose, Ca. has now seen a \$51,000 judgment issued against it in favor of Rinehart Oil Inc.

Sizzler International Inc., a Culver City, Ca. operator of 461 eateries, reported a third quarter net loss of \$1.4 million, an improvement over its \$4.9 million loss in the year-earlier period. Its revenue increased 7%--to \$71.9 million.

Strategic Distribution Inc., a Bensalem, Pa. distributor of industrial products, reported a fourth quarter net loss of \$1.6 million. Its revenue increased 14%--to \$91.5 million.

Tandycrafts Inc., a Fort Worth, Tx. firm that makes picture frames and wall decorations, has now retained an adviser to help it refinance a credit facility soon due to expire. The firm also recently warned that it risks being delisted by the New York Stock Exchange for failing to meet minimum capitalization requirements. For its recently ended second quarter, Tandycrafts reported a net loss of \$4.4 million, including a \$3.2 million loss from continuing operations. Its sales declined 5%--to \$27.9 million.

Thomson Consumer Electronics of Carmel, In. has agreed to reimburse customers as much as \$100 million to settle a number of class-action lawsuits. In addition, the settlement specifies that Thomson will provide tens of millions of dollars worth of product rebates for customers. One estimate puts the total cost of the settlement for Thomson, including the rebates, at more than \$200 million. The dispute stemmed from complaints over poor images on RCA, GE and Proscan televisions manufactured by Thomson between 1992 and 1996. Customers had spent more than \$60 each to repair the problem, which involved a poorly installed tuner.

Tully's Coffee Corp., while hoping to increase its business with the acquisition of nine Marsee Bakery locations in Portland, Or., is facing something of a cash crunch. The Seattle, Wa.-based company, while raising \$12 million in capital last year, ended last year with only \$410,000 in cash. While unprofitable, the coffee retailer's sales are increasing significantly, jumping 50% in the first nine months of its current fiscal year--to \$30 million.

Venator Group Inc., a Manhattan, N.Y. apparel retailer, reported a fourth quarter net loss of \$288 million. The results included \$330 million in charges related to discontinued operations. Its sales increased 7%--to \$1.3 billion.

Webvan Group Inc. isn't throwing in the towel yet, despite its dwindling cash and declining confidence among analysts and investors. The Foster City, Ca. online grocery retailer says that it needs \$60 million by early next year in order to give it more time to achieve profitability. Investors, however, may balk at pumping in more money unless they see clear signs that the firm will start turning a profit soon. And that depends on Webvan's being able to increase the size and number of orders from its core client base. The company has already committed \$13 million to marketing in the current quarter, despite its cash shortage. Webvan has been partly successful, having seen its average order jump from \$81.31 in 1999 to \$112 in 2000. For a free copy of an article about Webvan call 800-407-9044.

Industrial Manufacturers,

Natural Resources

and Energy Firms

Abraxas Petroleum Corp., San Antonio, Tx., retained CIBC World Markets Corp., a unit of Canada Imperial Bank of Commerce, to help it evaluate its proposed stock purchase of the 51% that it doesn't already own of **Grey Wolf Exploration Inc.**, a company with operations in western Canada. Abraxas added that it itself is open to the possibility of being acquired.

Acme Die Casting Corp. of Racine, Wi., suffering from troubles at its main customer, DaimlerChrysler AG, will shut down its two manufacturing plants in Racine and lay off 230 employees.

Aetrium Inc., a North St. Paul, Mn. company that manufactures electromechanical equipment, reduced its payroll by thirty employees as part of a restructuring plan.

Barrett Resources Corp. turned down an offer to be acquired by Royal Dutch/Shell Group for \$1.8 billion. At the same time Barrett put itself on the selling block and invited Shell to make another offer. Shell responded by launching a hostile bid to take over the firm. Barrett, a Denver, Co. natural-gas producer, is considered to be particularly vulnerable to a hostile takeover attempt. At a time when natural-gas companies are enjoying strong profits and rising stock prices, Barrett has taken large writeoffs stemming from poor hedging strategies on prices for natural gas. Last year, Barrett reported trading losses of \$88.8 million.

Barringer Technologies Inc., a New Providence, N.J. supplier of detection equipment for drugs and explosives, has entered into an agreement to be purchased by Smiths Group PLC of Great Britain in a transaction valued at \$88 million.

Channell Commercial Corp., a Temecula, Ca. manufacturer of precision-molded thermoplastic enclosures, reported a fourth quarter net loss of \$3.2 million. The results included charges of \$6.1 million related to restructuring and asset writedowns. Its revenue declined 16%--to \$27 million.

Crown Cork & Seal Co., a Philadelphia, Pa. maker of packaging products, said that it anticipates a first quarter loss, primarily as a result of higher interest costs on an additional \$400 million credit facility it agreed to with a group led by J.P. Morgan. The lending group also agreed to extend the maturity date on Crown Cork's \$2.5 billion revolving credit facility until 2003. Crown Cork, which faces costs of \$500 million related to interest expenses this year, has also been affected by high costs for raw materials and energy. In a separate move, the firm said it will sell off about \$1.2 billion of its assets.

Cummins Inc., a Columbus, In. manufacturer of high-power diesel engines, will close two of its facilities in Minnesota and reduce its payroll by 340 employees. The move is part of the company's efforts to consolidate and reduce costs. The two plants, in Eden Prairie and St. Peter, Mn., will both be closed by the end of the year.

Davilla Sheet Metal Inc. in Raytown, Mo. has now seen a \$64,000 federal tax lien filed against it.

Delphi Automotive Systems Corp., a Troy, Mi. automotive supplier, reached an agreement to acquire the vehicles switch-and-electronics operations of **Eaton Corp.** for \$300 million. Eaton, a Cleveland, Oh. maker of automotive systems and components, will use proceeds from the sale to reduce its short-term debtload. The company has also been shedding businesses it feels are no longer compatible with its long-term strategy. The Eaton unit, based in Downers Grove, Il., has more than 3,800 employees at eight manufacturing sites throughout North America and supplies the Big Three automakers.

Evergreen Oil Inc. has now seen an \$825,000 judgment issued against it in Alameda County, Ca. in favor of People State of California.

Ferry Industries Inc., a Stow, Oh. supplier of rotational molding equipment, is pulling back on its Canadian operations, announcing that it will close its factory in Winkler, Manitoba as part of its consolidation efforts. Ferry gained access to the Manitoba location through its acquisition of FSP Machinery Co. only five months ago.

General Automotive Manufacturing LLC in Franklin, Wi. said that it will lay off a total of 140 employees at its two manufacturing facilities in Franklin. The supplier cited the slowdown in the automotive industry.

Gentek Holdings, a closely-held vinyl and aluminum siding manufacturer, has entered into an agreement to be purchased by Alcoa Inc. of Pittsburgh, Pa. for an undisclosed amount.

International Paper Co., continuing to sell off assets after merging with Union Camp Corp., has now agreed to sell 265,000 acres of timberland in Washington to Rainier Timber Co. LLC in a transaction valued at \$500 million. The firm is also selling its Curtis Palmer Hydroelectric Co. generating unit in Corinth, N.Y. to TransCanada PipeLine Ltd. of Calgary, Alberta for \$285 million. International Paper is selling the unit as part of a broad plan to divest itself of some \$5 billion worth of assets.

KoSa Ltd., a Shelby, N.C. manufacturer of polyester fibers, is reducing its payroll by 180 employees (25% of its workforce). The move is in conjunction with its efforts to divest itself of its commodity-polyester business and focus on its specialty products. KoSa earlier announced it would invest \$135 million to modernize its Shelby plant, which makes polyester fibers used to manufacture seat belts, soft-sided trucks and other products.

Owosso Corp., a King of Prussia, Pa. maker of motors, heating equipment and farm machinery, reported a first quarter net loss of \$1.9 million. The results included a \$1.4 million loss from continuing operations. Its revenue declined 28%--to \$20.6 million.

Park Ohio Holdings Corp., a Cleveland, Oh. manufacturer of forged and machined products, reported a fourth quarter net loss of \$570,000. Its revenue declined 4%--to \$173 million.

Seaboard Corp., a Shawnee Mission, Ks. commodities-shipping firm, reported a fourth quarter net loss of \$11.3 million. The results included a \$10.1 million loss from continuing operations. Its revenue increased 18%--to \$448 million.

Special Metals Corp., a New Hartford, N.Y. maker of special alloys, reported a fourth quarter net loss of \$5 million. Its revenue increased 19%--to \$182 million.

TreeSource Industries, a Portland, Or. forest-products concern, announced that it is considering strategic alternatives, including putting its operations on the selling block.

Webco Industries Inc., a Sand Springs, Ok. maker of carbon and stainless-steel tubes, reported a second quarter net loss of \$750,000. Its revenue increased 7%--to \$37.4 million.

Services

Firms

American General Corp., a Houston, Tx. insurance and financial-services firm, has entered into an agreement to be purchased by British-based **Prudential PLC** in a deal reportedly valued at about \$25 billion. The deal would be the biggest transatlantic merger to date in the financial-services sector and would make Prudential one of the biggest insurance companies in the world. The combined firm will have annual revenue of more than \$40 billion. Both boards have reportedly approved the deal.

American Skiing Co., a Bethel, Me. operator of resorts, reported a second quarter net loss of \$4.8 million. Its revenue increased 23%--to \$156 million.

Ameristar Casinos Inc., Las Vegas, Nv., reported a fourth quarter net loss of \$5.7 million. Its revenue increased 17%--to \$89.6 million.

Arthur D. Little Inc., a Cambridge, Ma. management and technology consulting concern, will close several of its unprofitable offices around the world and lay off as many as 200 of its consultants. The company cited a slowdown in business.

BlueMeteor Inc., Chicago, Il., laid off 60% of its payroll after a potential investment deal fell through. The company, an e-consultant, also announced that it has put itself on the selling block and is negotiating with possible suitors.

Budget Group Inc., a Lisle, Il. automobile rental company, reported a fourth quarter loss of \$596 million, more than six times the loss in the year-earlier period. Its revenue declined 6%--to \$538 million. Its operating loss for the quarter was \$477 million. The results included extra charges of \$399 million, about half of which stemmed from reorganizing its European operations. Budget also warned that its losses for 2001 could reach \$40 million before the company is able to return to the black in fiscal 2002.

Casella Waste Systems Inc., a Rutland, Vt. waste-collection and recycling company, reported a third quarter loss from continuing operations of \$12.9 million. The results included nonrecurring charges of \$13.7 million. Its revenue increased 30%--to \$121 million.

Century Business Services Inc., a Sweet Valley, Oh. provider of insurance and other business services, reported a fourth quarter loss from continuing operations of \$115 million. The results included nonrecurring charges of \$119 million. Its revenue declined 13%--to \$120 million.

CMGI Inc., an Andover, Ma.-based Internet company, reported a second quarter net loss of more than \$2.5 billion. The results included \$2 billion in writedowns stemming from acquisitions, including those of its AltaVista Web-searching site and its AdForce marketing agency. CMGI also reported operating losses at all five of its operating units totaling \$216 million, a slight improvement over the year-earlier period. Its revenue more than doubled--to \$343 million--although this was less than had been projected.

Delta Air Lines said it expects to report a first quarter loss of between \$85 million and \$110 million. Its revenue will be flat at about \$3.9 billion, about \$300 million short of projections. The Atlanta, Ga. carrier, the third-biggest in the U.S., blamed the weakened economy, a price war on its East Coast routes as well as labor problems with its pilots, which have caused travelers to book on other airlines. The carrier also warned that the economic slowdown and ongoing labor negotiations with its pilots will cause its second quarter revenue also to fall short by at least \$200 million.

Dun & Bradstreet Corp. of Murray Hill, N.J. announced plans sell its Receivables Management Services unit in the U.S., Canada and Hong Kong to that unit's management team for an undisclosed amount.

Electric Lightwave Inc., a Vancouver, Wa. provider of voice and data communications services, reported a fourth quarter net loss of \$33.8 million. Its revenue increased 16%--to \$63 million. For the year, the firm reported a loss of \$137 million on a 30% increase in revenue--to \$244 million.

Gemstar-TV Guide, Pasadena, Ca., reported a third quarter net loss of \$126 million. Its sales jumped more than fivefold--to \$358 million.

Gtech Corp., a West Greenwich, Ct. operator of lottery systems, is laying off eighty employees as part of its ongoing restructuring aimed at reducing costs. The move will result in extra charges of between \$4 million and \$6 million.

Henry S. Miller Cos., a Dallas, Tx. residential broker, has entered into an agreement to sell its real-estate operations in Fort Worth, Tx. and Denver, Co. to NRT Inc. of Parsippany, N.J. for an undisclosed amount.

Hughes Electronics Inc., opposing a tactic by Rupert Murdoch's News Corp. to take control of it, has announced a plan to offer large stakes in the company to investors and then spin it off. According to the El Segundo, Ca. satellite-services firm's plan, while success is not certain, such a spinoff could raise as much as \$5 billion in cash for Hughes's parent company, General Motors Corp.

Impsat Fiber Networks Inc., an Argentinean-based communications-services firm, reported a fourth quarter net loss of \$58.6 million. Its revenue increased 43%--to \$88 million.

Intermedia Communications Inc., a Tampa, Fl. Internet-systems firm, reported a fourth quarter net loss of \$206 million. The results included a \$204 million loss from continuing operations. Its revenue increased 11%--to \$276 million.

Japan Airlines Co. of Tokyo, Japan, the biggest airline firm in Asia, announced plans to cut its ground personnel by 4,200 employees in an effort to cut costs and reduce its debt.

Kushner-Locke Co., a Los Angeles, Ca. television producer, got a bit of breathing room from its lender, Chase Manhattan Bank, which agreed to put off until at least next month the withdrawal of money from its existing accounts. Kushner, which now owes Chase Manhattan \$67 million, is in default on a credit facility with that bank. In a recent filing with the Securities and Exchange Commission, Kushner-Locke said that it lacks resources to fund its operations for the next twelve months. For a free copy of an article about Kushner-Locke's financial woes call 800-407-9044.

Labor Ready Inc., a Tacoma, Wa. provider of temporary staffing services, has been ordered by Washington's Department of Labor and Industries to pay more than \$730,000 in workers'-compensation premiums, interest and fines. The state office determined that Labor Ready made errors in its 1998 financial reports.

MarchFirst Inc., a Chicago, Il. Internet consulting firm, has accepted the resignation of its founder, Robert Bernard, from his position as chief executive officer. MarchFirst continues to face difficulties in getting its expenses under control, despite the fact that it raised \$150 million only three months ago. According to analysts, while the firm announced 2,000 layoffs in November and has shut down its half-owned BlueVector LLC venture-capital unit, MarchFirst's costs are still way too high. For a free copy of an article about MarchFirst, whose chief executive officer is reportedly under pressure to resign, call 800-407-9044.

Master Graphics Inc., a Memphis, Tn. provider of commercial printing services, announced that its reorganization has become effective and that it has emerged from Chapter 11 bankruptcy protection. According to its plan, all of the company's new common stock will be distributed to general unsecured creditors. The firm has also entered into a \$60 million exit financing facility with General Electric Capital Corp.

Mercury Air Group Inc., a Los Angeles, Ca. provider of aviation services, said that it will spin off its fuel sales and services operation by August.

Metromedia Fiber Network Inc., a White Plains, N.Y. fiberoptic-communications infrastructure company, reported a fourth quarter net loss of \$135 million. Its revenue increased 136%--to \$61 million.

Midway Airlines Corp., Durham, N.C., reported a fourth quarter net loss of \$6.3 million. Its revenue increased 32%--to \$76.7 million.

Nauticom Sports Network, an Internet-based sports service that's owned by North Pittsburgh Systems Inc. of Gibsonia, Pa., is reportedly being acquired by Management Science Associates Inc. of East Liberty, Pa. for an undisclosed amount.

NaviSite Inc., an Andover, Ma. online network company, reported a second quarter net loss of \$31.9 million. Its revenue tripled--to \$27.7 million.

NC Inc., an Arlington, Va. Internet company that provides information on concerts and other events, shut down two of its Web businesses and laid off most of its employees.

Neff Corp., a Miami, Fl. equipment-rental concern, reported a fourth quarter net loss of \$9.7 million. The results included nonrecurring charges of \$4.3 million. Its revenue declined 30%--to \$65.9 million.

New York Apple Tours, an operator of double-deck tour buses in New York City, has given up its operating license after losing a battle with city officials over alleged air-pollution and traffic violations.

Novo Networks Inc., a Dallas, Tx. provider of networking and communications services, said it will reduce its payroll by seventy employees (40% of its workforce) in an effort to cut costs.

NTL Inc., a Manhattan, N.Y. telecommunications company, reported a fourth quarter loss from continuing operations of \$1.2 billion. Its revenue increased 73%--to \$853 million. For the year, the company reported an operating loss of nearly \$3 billion on revenue of \$2.8 billion.

PSINet Inc., an Ashburn, Va.-based Internet service provider, has signed a definitive agreement to sell its PSINet Transaction Solutions business to an investment group led by GTCR Golder Rauner LLC of Chicago, Il. for \$285 million in cash. The sale is part of PSINet's strategy to sell off nonstrategic assets and cut costs. PSINet, which also said it will reduce its capital spending,

warned that it must also work on restructuring its debtload and that it may have to default on some of its loans.

Quokka Sports, a San Francisco, Ca. sports Web company, has managed to avoid an unwanted takeover attempt by some of its creditors, including GE Capital, DirecTV and Deutsche Bank. In order to maintain some independence, Quokka renegotiated a \$77 million credit line in a deal that also involves converting some of its debt into equity. That will provide creditors with a stake in the firm but it also permits Quokka to continue operating without its noteholders breathing down its neck. Quokka, which is handling the Web operations for the 2002 Olympics in Salt Lake City, has about half left of the nearly \$80 million that it raised back in September. The firm has also been restructuring, recently announcing that it will lay off more than half of its 370 employees by summer and reduce expenses by 65%.

Roy F. Weston Inc., a West Chester, Pa. provider of environmental-cleanup services, has reached an agreement with a group of its senior management that wants to take the company private in a \$51 million deal.

Salem Communications Corp., a Camarillo, Ca. radio broadcaster, reported a fourth quarter net loss of \$3.6 million. The results included a \$2.4 million loss from continuing operations. Its revenue increased 41%--to \$37 million.

Stamps.com Inc., a Santa Monica, Ca. Web-based marketing company, said that its majority-owned EncrypTix Inc. unit will shut down operations and liquidate. Stamps.com has been sharply cutting back in recent months, only recently cutting 240 employees from its payroll after reporting a loss of more than \$68 million for its quarter ended last December. The company still has an important resource, however, in the form of a \$250 million hoard of cash. Now having retrenched, Stamps.com believes its cash pile will last even longer and that it could reach profitability next year. For a free copy of an article about Stamps.com call 800-407-9044.

UAL Corp., the parent company of United Airlines of Chicago, Il., announced that it will put on hold its plan to acquire **US Airways Group** of Washington, D.C. for \$11.6 billion. The U.S. Justice Department is requesting further information on a proposed transaction between United and AMR Corp. of Fort Worth, Tx. While United agreed to sell 20% of US Airways to American, the Justice Department wants to know about American's plans to jointly operate a US Airways shuttle with United. One analyst believes that the Justice Department will not let the deal go through, on antitrust grounds.

UGO Networks, a Manhattan, N.Y. youth-entertainment site, cut its payroll by forty employees (30% of its workforce) in an effort to speed up its path to profitability. The company also recently raised \$23 million in another round of financing, which it believes will be enough to sustain it until it can operate in the black.

VJungle Inc., a Redmond, Wa. applications-services provider, laid off twenty-two employees (25% of its workforce) at its operations in both Washington and India.

Volt Information Sciences Inc., a Manhattan, N.Y. provider of temporary staffing services, reported a first quarter net loss of \$1.9 million. Its revenue increased 5%--to \$526 million.

Healthcare Providers

and Technology Firms

Alterra Healthcare Corp., a Brookfield, Wi. operator of assisted-living facilities, has reached a deal on a \$7.5 million loan, backed by some of its asset mortgages, as part of its debt-restructuring efforts. The company faces \$145 million in debt due this year and another \$325 million due next year.

AVI BioPharma Inc., a Portland, Or. biopharmaceutical company, reported a fourth quarter net loss of \$3 million. The loss is largely a result of increased research-and-development expenses.

CeraMed Dental LLC, part of CeraMed Corp. of Lakewood, Co., has entered into an agreement for Dentsply International Inc. of York, Pa. to acquire the 49% that it doesn't already own of CeraMed Dental for \$20 million.

Genstar Therapeutics Corp., a San Diego, Ca. manufacturer of medical equipment, reported a fourth quarter net loss of \$3 million. Its revenue declined 5%--to \$48.4 million.

Health Management Associates Inc., a Naples, Fl.-based hospital chain, said it will take second quarter charges of \$17 million related to writing down some of its assets. The charge also includes costs stemming from retirement benefits for its chairman.

HealthPlan Services Corp., a Tampa, Fl. provider of managed-healthcare services, is reducing the payroll at its Tampa Small Group unit by forty employees (8% of that unit's workforce). The move is part of a plan to reduce operating costs by about \$1.8 million annually.

Isolyser Co., a Norcross, Ga. maker of surgical instruments, reported a fourth quarter net loss of \$12.3 million. The results included nonrecurring charges of \$9.2 million. Its revenue declined 8%--to \$13.8 million.

Laser Vision Centers Inc., a St. Louis, Mo. provider of excimer laser services, reported a third quarter net loss of \$1.1 million. Its revenue increased 12%--to \$25.3 million.

New Era Health Center Inc. has now seen a \$279,000 federal tax lien filed against it in Miami-Dade County, Fl.

Schering-Plough Corp., a Madison, N.J. drug company, is being investigated by federal authorities regarding its marketing practices. The company has become yet another target of federal investigators looking into alleged abuse of Medicare and Medicaid programs by drug and healthcare companies.

CREDITORS' RIGHTS

LAST WEEK'S QUESTION: Explain the importance of the disclosure statement in a bankruptcy case.

ANSWER: The U.S. Bankruptcy Code requires that a proponent of any reorganization plan must submit a disclosure statement for approval. This is important because sometimes the disclosure statement is the only way a creditor can be made aware of the terms and conditions of a reorganization plan.

THIS WEEK'S QUESTION: Explain the procedure at a confirmation hearing of a debtor's reorganization plan.

ANSWER NEXT ISSUE